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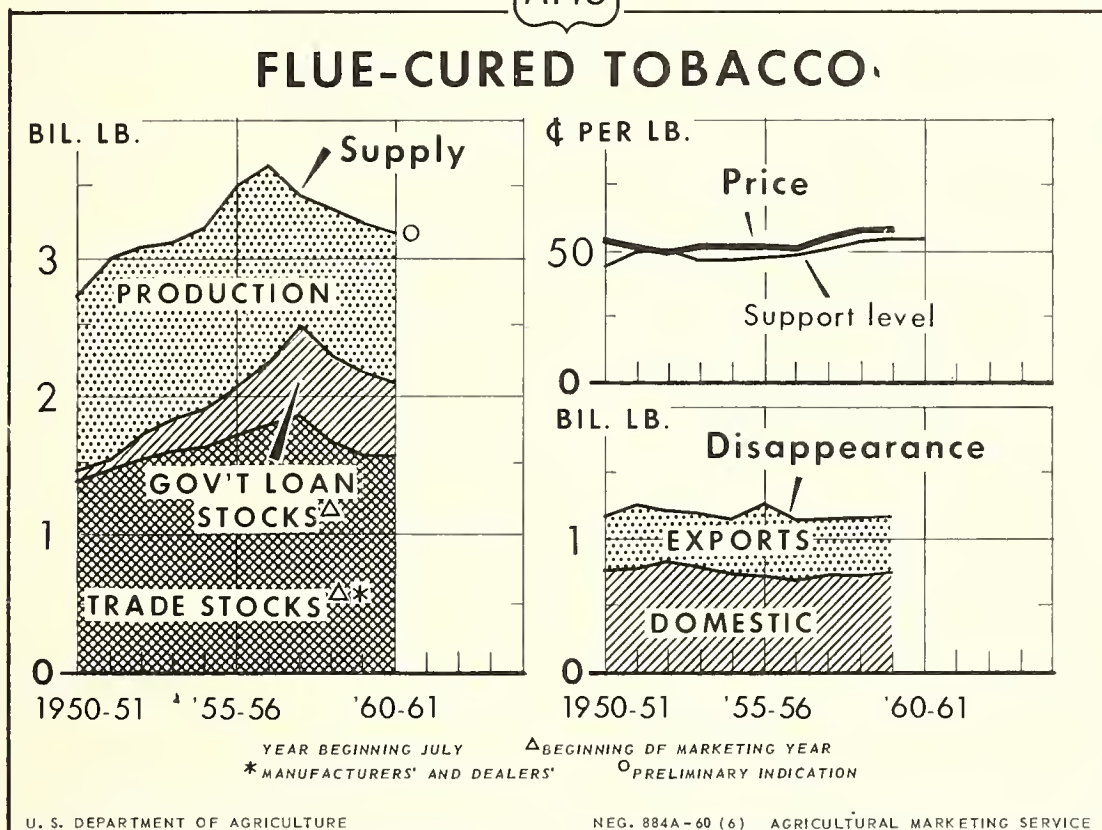
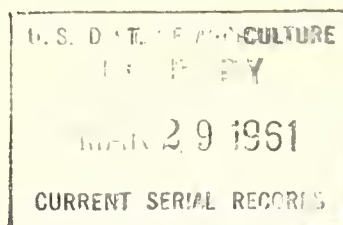
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The TOBACCO SITUATION

[TS-92]

June 1960
FOR RELEASE
JUNE 28, P. M.



The 1960-61 total supply of flue-cured tobacco is likely to be about 3,210 million pounds--2 or 3 percent below 1959-60 and 13 percent below the peak of 1956-57. From 1957 to 1959, production was below disappearance and stocks held by the trade declined considerably. As of mid-1960, these stocks are fairly near the year-ago level while those under Government loan are appreciably low-

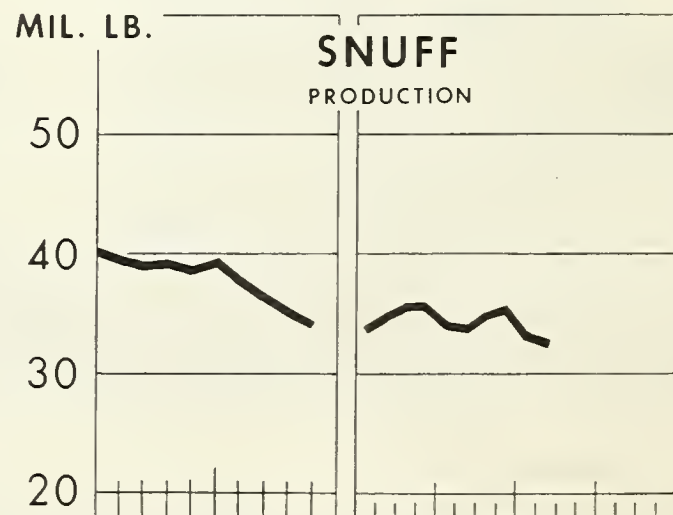
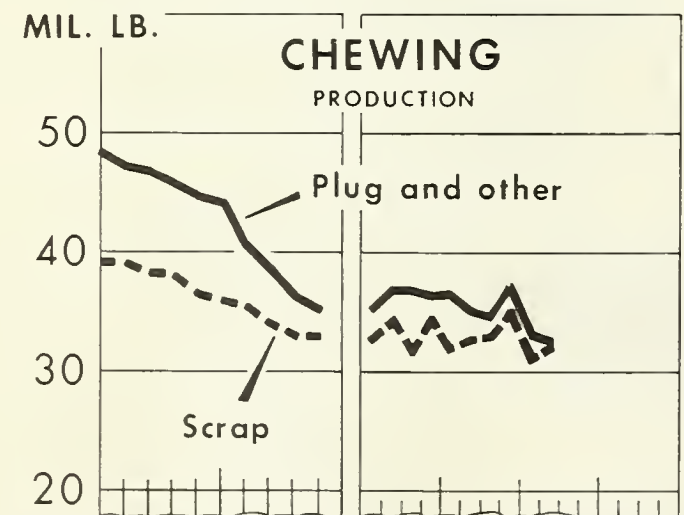
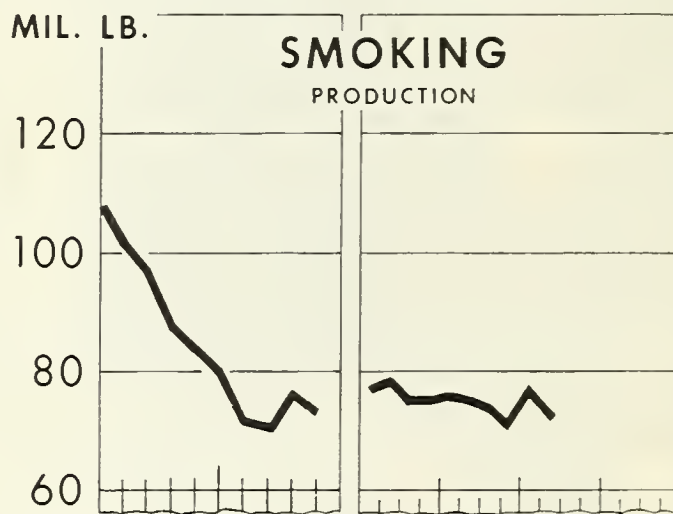
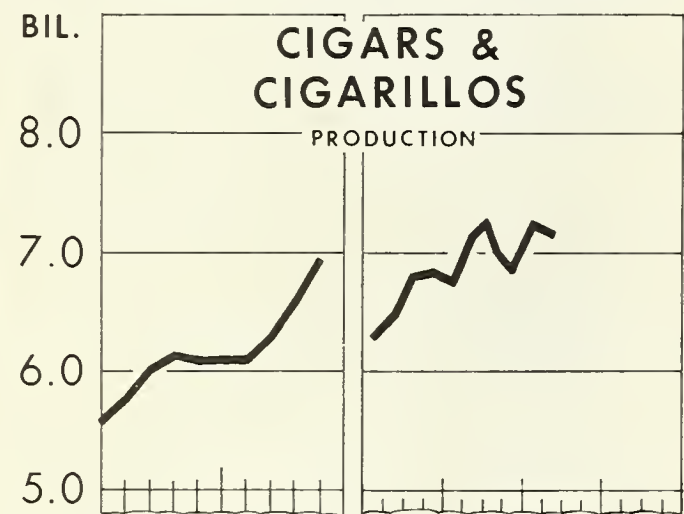
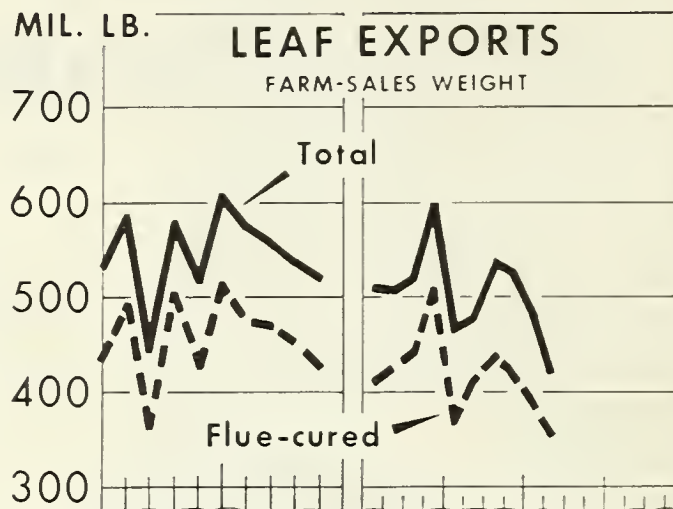
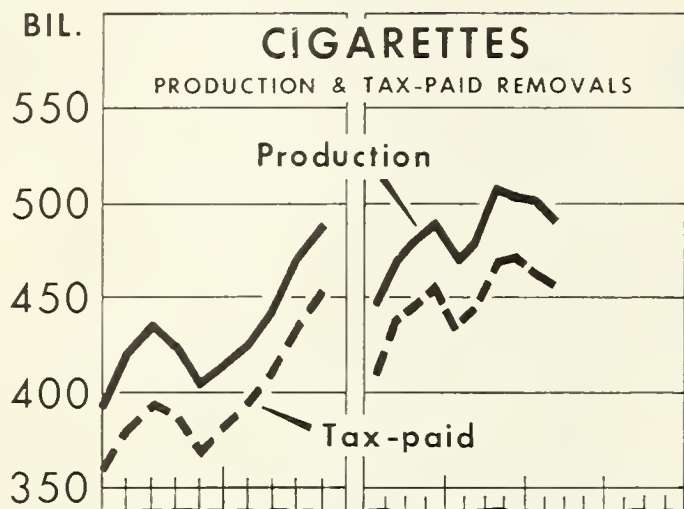
er than a year ago. Since domestic use plus exports in the year ahead will probably exceed the 1960 crop, stocks are likely to decline further.

Domestic use of flue-cured increased significantly in 1959-60, but exports were the lowest in probably 7 years. In accordance with recent legislation, the 1960 price support will be the same as 1959.

Published quarterly by
AGRICULTURAL MARKETING SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



1950 '55 '60 1958 '59 '60 '61

ANNUAL

QUARTERLY, SEASONALLY
ADJUSTED, AT ANNUAL RATES

1950 '55 '60 1958 '59 '60 '61

ANNUAL

QUARTERLY, SEASONALLY
ADJUSTED, AT ANNUAL RATES

LAST QUARTER SHOWN, PARTLY ESTIMATED

- - - - -
T H E T O B A C C O S I T U A T I O N
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Approved by the Outlook and Situation Board, June 21, 1960

CONTENTS

	<u>Page</u>		<u>Page</u>
Summary	3	Flue-cured, types 11-14	32
Tobacco products	6	Burley, type 31	34
Cigarettes	6	Maryland, type 32	36
Cigars and cigarillos	10	Fire-cured, types 21-23	39
Smoking tobacco	15	Dark air- and sun-cured, types 35-37	42
Chewing tobacco	16	Cigar tobacco	46
Snuff	16	Filler, types 41-46	
U. S. tobacco exports	18	Binder, types 51-55	
Foreign production	25	Wrapper, types 61-62	
British tobacco situation	27	Tobacco economic publications ...	55
U. S. tobacco imports	29	Statistical summary	60
Maleic hydrazide (MH-30) caution to farmers	31	List of tables and charts	62
Tobacco leaf situation	32		

SUMMARY

Demand for cigarette tobacco, and for most cigar tobaccos, is expected to be strong in the coming season. Cigarette consumption is likely to reach a new high in 1960 and further increases are likely. Cigar and cigarillo consumption is expected to continue to gain -- for 1960 as a whole, it will exceed every year except 1 or 2 in the early 1920's.

Cigarette output during July 1959-June 1960 is estimated at close to 500 billion--4 percent above 1958-59. Both total output and domestic consumption surpassed levels in any previous fiscal or calendar year. Contributing to increased consumption of cigarettes are a comparatively high level of consumer incomes, increases in adult population, and probably an increasing percentage of smokers among women.

Cigar and cigarillo output in domestic factories is estimated at about $6\frac{3}{4}$ billion--nearly 4 percent more than in 1958-59. Total consumption, including cigars made in bonded manufacturing warehouses, those shipped from Puerto Rico, and imports, probably topped 7.1 billion in fiscal 1959-60. During calendar year 1959 sales of cigarillos totaled 933 million, according to a survey of the Cigar Manufacturers Association of America. Cigarillos gained 12 percent from 1958 to 1959--they comprised $13\frac{1}{2}$ percent of the total cigar consumption in 1959.

Market testing of cigars made with wrapper manufactured in continuous form instead of with wrappers from individual leaves has been announced. If successful, important economies could be achieved in cigar making. Questions will be raised as to the economic effects on the shade-grown cigar wrapper types of tobacco.

Production of smoking tobacco in the year ending June 30 is estimated at 73 million pounds-- $2\frac{1}{2}$ percent less than in 1958-59. In view of the generally favorable outlook for consumer income and employment, appreciable gains in smoking tobacco do not seem likely. Use of smoking tobacco tends to expand in periods of economic recession. A significant gain has occurred in consumption of imported smoking tobacco. Imports of manufactured tobacco (presumably mostly smoking tobacco) jumped from 169,000 pounds in 1957 to 687,000 pounds in 1959 and continued to gain in January-April 1960.

Output of chewing tobacco in the year ending June 30 is estimated at near 66 million pounds--about 4 percent lower than in 1958-59. This is a new longtime low, and a still further decline appears likely. Plug chewing has dropped more sharply than scrap chewing tobacco in the last 5 years.

Output of snuff in the year ending June 30 is estimated at 34 million pounds--about $1\frac{1}{2}$ percent less than in 1958-59. In 1956-57 and 1957-58 production fell off 5 percent a year but the rate of decline slackened appreciably in the last 2 years.

U. S. exports of unmanufactured tobacco in the year ending June 30, 1960 are estimated at about 455 million pounds (export weight), compared with 473 million in each of the two preceding fiscal years. While underlying economic factors such as economic activity and dollar reserves abroad are favorable to U. S. tobacco exports, there are other conditions that limit our tobacco exports. These include increasing competition from expanded foreign production, high import duties, and various other trade restrictions including preferential arrangements favoring other tobaccos. In April, the United Kingdom duty on tobacco imports was increased about 5 percent and is now over 80 percent above the level at the end of World War II.

Another factor bearing on U. S. exports is the concern expressed by foreign buyers over the use of sucker control chemicals. It is contended that the chemicals adversely affect the physical and chemical properties of the leaf. Major domestic companies share this concern, and buyers have stated they will not knowingly buy tobacco treated with maleic hydrazide (MH-30). Tobacco growers have been cautioned by the U. S. Department of Agriculture that the use of maleic hydrazide (MH-30) on tobacco to control sucker growth could seriously jeopardize the tobacco price support program and the domestic and export markets for U. S. tobacco.

Price supports for the 1960 crops of the eligible kinds of tobacco are the same as those for 1959. In the case of Maryland tobacco, for which price support was not available for the 1959 crop, the 1960 support level will be the same as it would have been for the 1959 crop if it had been under a marketing quota and thus eligible for price support. The setting of 1960

price supports at the 1959 levels is in accordance with the provisions of legislation enacted earlier this year. This legislation provided also that beginning with the 1961 crop, the support level will be adjusted according to the change between the 1959 parity index and the average of the parity index for the 3 calendar years just preceding the year for which the support is being determined.

If per acre yields are near the average of recent years, the 1960 production of flue-cured will be a little above last year, but production of burley will be down about 3 percent. Last year, burley yields averaged record high. Carryover of flue-cured on July 1 (at the beginning of its 1960-61 marketing year) is estimated at 5 percent below a year ago, and carryover of burley on October 1 (beginning of its 1960-61 marketing year) may be about 2 percent below last October. The total 1960-61 supplies--new crops plus carryover--of flue-cured and burley are likely to be 2 or 3 percent below 1959-60. According to early indications, domestic use of both flue-cured and burley are showing significant increases during 1959-60. On the other hand, exports are down--for flue-cured they may be the lowest in 7 years.

If yields per acre are close to the average of recent years, the 1960 Maryland crop will be near 34 million pounds--5 percent more than the estimate for 1959. An expected decrease in carryover may offset this increase, leaving the total 1960-61 supply a little lower than for the current year. Auction markets for the 1959 Maryland crop began in late April. For sales through June 17, the average price received was 61.6 cents per pound compared with 62.3 cents in the comparable period last year.

The 1960 production of fire-cured may be up a little this year but carryover next October 1 will be down from a year ago and the lowest since 1946. Total supply for 1960-61 is likely to be about 2 percent below that for 1959-60. Exports of fire-cured in the year ending September 30 may show some increase over the peacetime low of the preceding year. If yields per acre of the dark air- and sun-cured types are near the average of recent years, this year's production will be a little lower than last year. Carryover next October 1 will also be smaller, and total supply for 1960-61 may be about $3\frac{1}{2}$ percent below 1959-60.

This year's production of Pennsylvania and Ohio cigar filler tobacco might be lower than in 1959 since this year's yields per acre may not match the record high averages of last year. The 1960-61 total supply of Pennsylvania filler may be slightly lower than in 1959-60 but more than in each of the 3 previous years. Supply of Ohio filler is likely to be one of the smallest on record. Indicated domestic use of these filler types in the current year is larger than last year.

Based on acreage indications and the average yields per acre in recent years, production of Connecticut Valley cigar binder types will be second lowest on record. Carryover will be down and total supply for 1960-61 will probably be a tenth below 1959-60. The production of the Wisconsin cigar binder types may be moderately above last year when the yield per acre of the

Northern Wisconsin type was second lowest in 21 years. The 1960-61 total supply of Wisconsin binder types might be about 3 percent above the record low of 1959-60.

Production of shade-grown wrapper tobacco this year will probably be up slightly if yields per acre are near the average for recent years. Carryover of the wrapper types on July 1 will be at a record high, and total supply for 1960-61 is likely to be above that for any previous year. Exports of wrapper during 1959-60 have been considerably below the record level of the previous 2 years.

TOBACCO PRODUCTS

Cigarettes

For the year ending June 30, 1960 the number of cigarettes manufactured is estimated at a record 500 billion--more than 20 billion above 1958-59. This represents about a 4 percent increase compared with $6\frac{3}{4}$ percent from 1957-58 to 1958-59. Both total output and domestic consumption for 1959-60 surpassed levels for any previous fiscal or calendar year.

About 96 percent of total output is consumed domestically and by overseas forces, and 4 percent is exported to numerous destinations around the world.

Cigarette consumption is expected to continue its upward trend, owing to comparatively high level consumer incomes, increasing adult population, and, probably, an increasing percentage of smokers among women. Manufacturers' prices for cigarettes have not changed in the last three years but retail prices have increased in several States because of increased or new tax levies by State Governments. Virginia became the forty-seventh State to tax cigarettes; its tax--3 cents per pack--goes into effect August 1 and under existing law will terminate June 30, 1962. Part of the increase in total consumer expenditure for cigarettes in recent years has been due to the increased proportion of filter tip cigarettes purchased. Filter tip cigarettes cost more than regular size nonfilter tips.

The Congress has voted to extend until July 1, 1961, the current Federal cigarette tax rate of 8 cents per pack of 20. Unless extended, this tax would revert on July 1 to 7 cents per pack--the pre-November 1951 rate. Originally enacted to be in effect for 2 years, 5 months, this will be the seventh time the reduction from the 8-cent rate has been postponed.

Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	Total output	Domestic consumption <u>1/</u>	Shipments to		Exports
			Overseas forces and other <u>2/</u>	Puerto Rico and U. S. islands <u>3/</u>	
	Billions	Billions	Billions	Billions	Billions
Average:					
1935-39	164.2	157.0	0.9	0.8	5.5
1940-44	256.9	223.5	26.5	1.0	5.8
1945	332.2	267.2	56.9	1.2	6.9
1946	350.0	321.7	5.0	1.6	24.1
1947	369.7	335.4	10.4	1.1	22.8
1948	386.8	348.5	12.8	1.7	25.2
1949	385.0	351.8	12.0	1.7	19.5
1950	392.0	360.2	15.6	1.9	14.3
1951	418.8	379.7	20.1	2.0	16.8
1952	435.5	394.1	21.7	1.9	16.4
1953	423.1	386.8	18.8	2.0	16.2
1954	401.8	368.7	15.9	1.8	15.4
1955	412.3	382.1	13.2	2.0	15.1
1956	424.2	393.2	13.3	2.0	15.7
1957	442.3	409.4	13.7	2.1	17.0
1958	470.1	436.4	13.4	2.2	18.1
1959	489.9	453.7	13.7	2.5	19.6
Fiscal year					
Year ending June					
1955	407.8	375.2	15.5	1.9	15.1
1956	416.8	387.1	12.5	2.0	15.3
1957	433.9	401.7	14.0	2.0	16.1
1958	449.1	416.3	13.3	2.1	17.7
1959	479.5	444.3	14.3	2.3	18.4
1960 <u>4/</u>	500.0	463.5	14.0	2.7	19.5

1/ Taxable removals including Alaska and Hawaii.2/ Includes ship stores and smaller tax-exempt categories.3/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands.4/ Estimated.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigarette exports from the United States to leading destinations
for specified periods

Country	Average 1952-56	1957	1958	1959 ^{1/}	January-April		
					1959 ^{1/}	1960 ^{1/}	1960 as percentage of 1959
	Millions	Millions	Millions	Millions	Millions	Millions	Percent
Morocco	1,743	1,942	2,107	2,392	726	218	30
Venezuela	1,647	2,336	2,507	2,260	743	113	15
Hong Kong	818	1,224	1,128	1,365	451	593	131
France	794	1,321	1,305	1,202	312	392	126
Singapore ^{2/}	556	931	905	933	354	396	112
Belgium	724	644	1,030	890	214	277	129
Netherlands Antilles	588	346	736	838	336	296	88
Kuwait	254	422	514	628	245	274	112
Netherlands	351	438	450	537	146	174	119
Sweden	727	625	581	535	147	178	121
Other countries ^{3/}	7,573	6,764	6,804	7,996	2,182	3,029	139
Total all countries	15,773	16,993	18,067	19,576	5,856	5,940	101

^{1/} Preliminary.

^{2/} Includes Federation of Malaya.

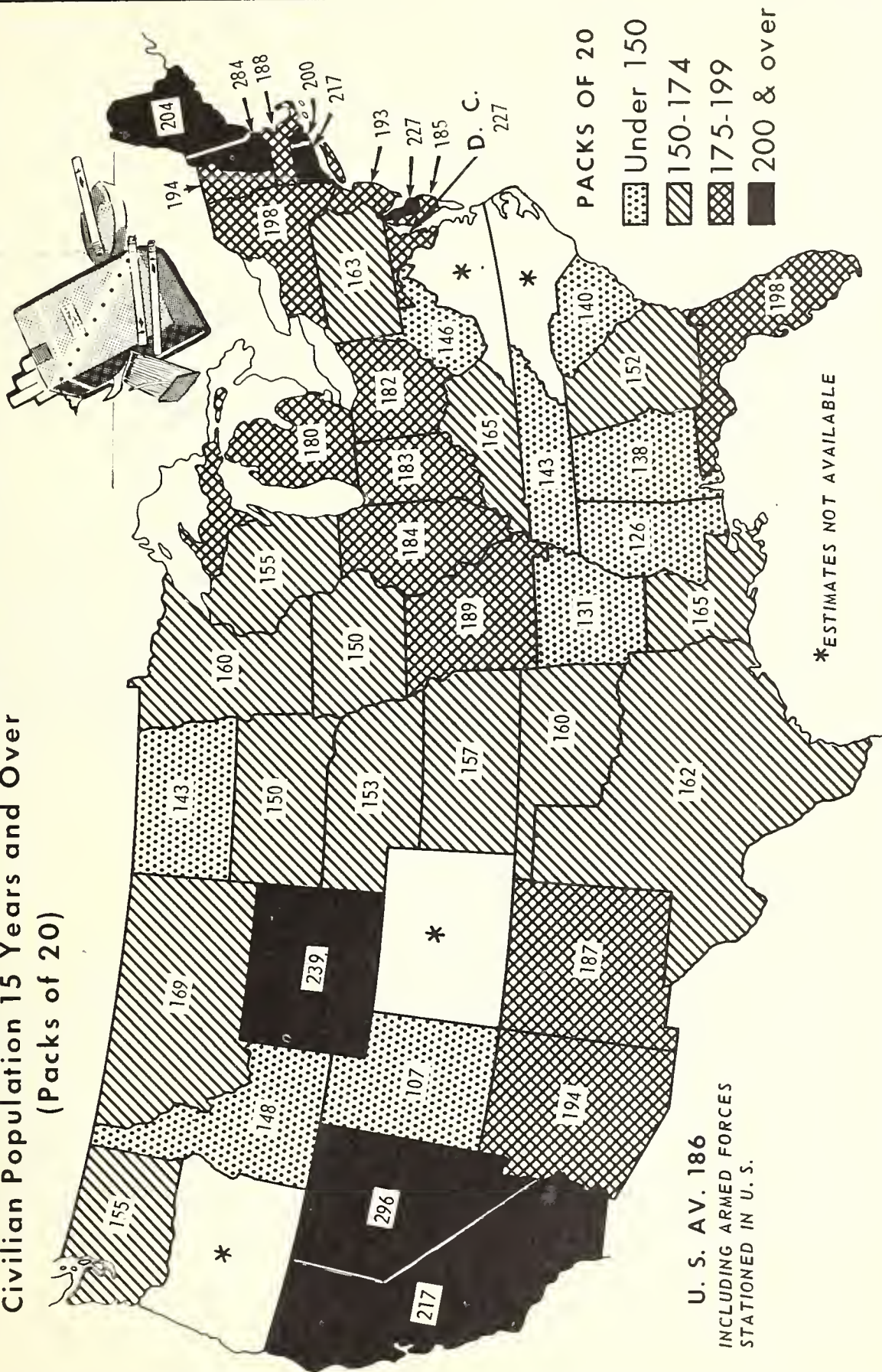
^{3/} Includes about 95 to 110 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

CIGARETTE CONSUMPTION PER CAPITA 1959

Civilian Population 15 Years and Over

(Packs of 20)



ESTIMATED MAINLY ON BASIS OF DATA OF CENSUS BUREAU AND TOBACCO TAX COUNCIL.

U.S. DEPARTMENT OF AGRICULTURE

NEG. 7910-60(6) AGRICULTURAL MARKETING SERVICE

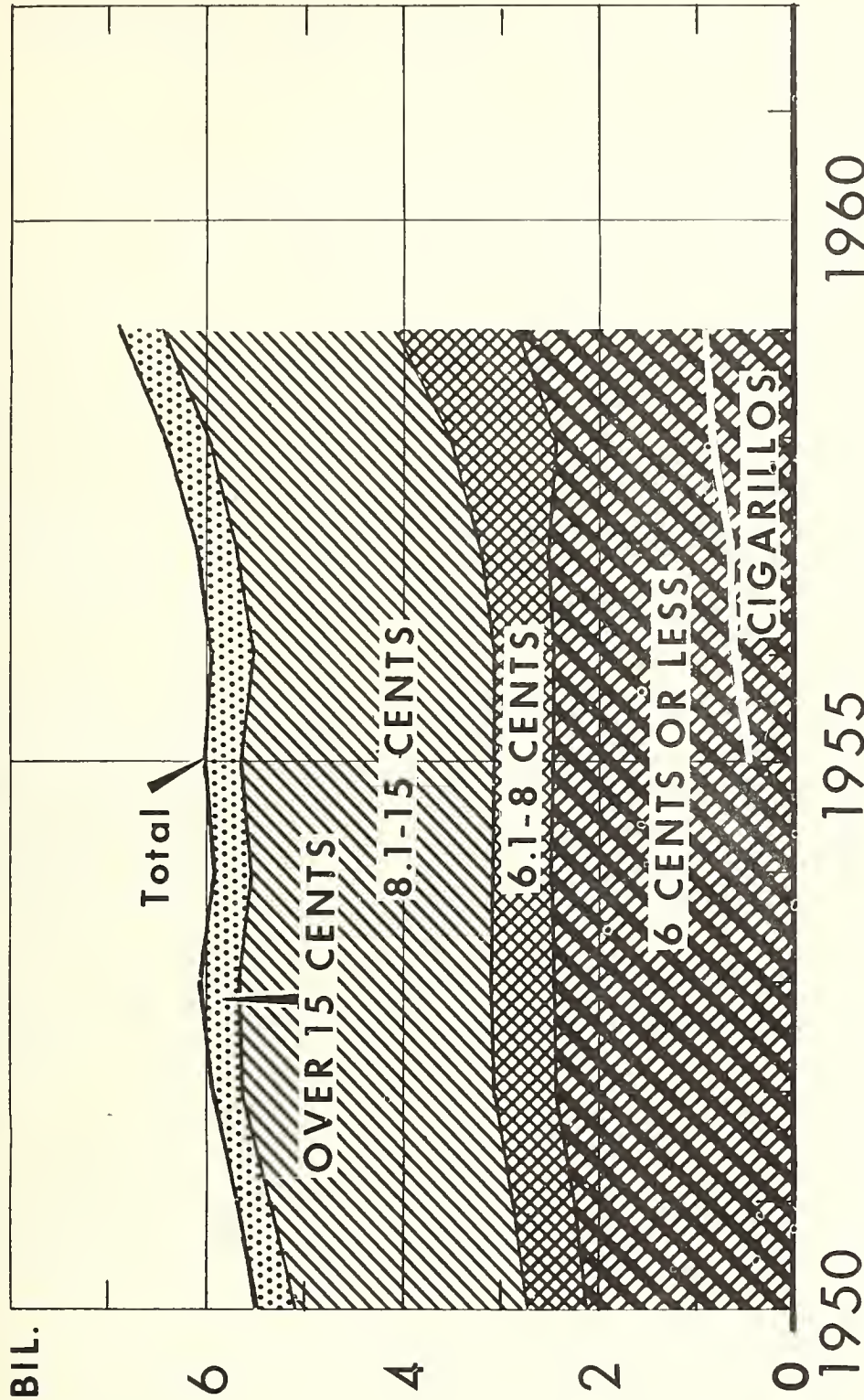
There is considerable variation in per capita cigarette consumption among States. This is indicated by the approximate estimates of consumption by civilians, 15 years and over, shown in the map on page 9. Variations in cigarette consumption among States probably reflect such influences as per capita income, distribution of income, rural-urban composition of the population, and socio-religious attitudes concerning smoking. In general, price differences appear to have influenced variation in cigarette consumption only to a minor extent among States in recent years. However, it should be noted that available data are not altogether satisfactory for computing per capita consumption within a State. The only available data for this purpose represent cigarettes taxed by a State; many who buy and thus pay the tax on cigarettes in a particular State are counted in the population of another State. This would often be true when cities and other communities are close to State borders and residents frequently cross into adjoining States for business, employment, and visits. Cigarettes purchased by vacationers coming from outside a State would also affect totals for some States to a significant extent.

Exports of cigarettes during the last half of 1959 were 12 percent ahead of the comparable period of 1958, but during January-April 1960 compared with a year earlier the percentage gain was only a little over 1 percent. During January-April 1960, very sharp declines occurred in cigarette shipments to Morocco and Venezuela -- the two leading destinations in recent years -- but there were sharp increases to Hong Kong, Gibraltar and several other outlets. In Venezuela, where local production is being expanded, the Government started reducing cigarette imports last September and no import licenses were to be issued after April 1, 1960.

Cigars and Cigarillos

The number of cigars and cigarillos manufactured in domestic factories in the year ending June 30 is estimated at close to $6\frac{3}{4}$ billion--nearly 4 percent more than in 1958-59. Approximately another 250 million were manufactured with imported tobacco in bonded manufacturing warehouses located in this country. Shipments of cigars from Puerto Rico in the year just ending may total 150 million, and imports, mostly from Cuba and the Philippine Republic, may total about 30 million. Based on July 1959-April 1960 reports, imports of Cuban cigars were about a fifth lower than a year earlier, but imports of Philippine cigars increased. Total consumption (including overseas forces) in fiscal year 1959-60 is estimated at over 7.1 billion cigars and cigarillos.

CIGARS BY RETAIL PRICE CLASS



DATA FROM INTERNAL REVENUE SERVICE EXCEPT CIGARILLOS WHICH FOR 1957-59
ARE FROM SURVEYS OF CIGAR MANUFACTURERS ASSOCIATION OF AMERICA.

U. S. DEPARTMENT OF AGRICULTURE

NEG. 7911-60 (6) AGRICULTURAL MARKETING SERVICE

Consumption of cigars and cigarillos in the United States rose from 6.1 billion in 1957 to 6.9 billion in 1959 and a further increase is likely this year. The gains have been largely in those retailing for 6.1-8.0 cents apiece and for 6 cents or less. Cigarillos are included in the latter price group. From 1957 to 1959, the number of cigarillos sold rose 30 percent and sales of cigars priced at 8 cents or less rose 25 percent; the number of cigars selling at higher than 8 cents apiece declined 3 percent. Cigars 8 cents or less, together with cigarillos comprised almost 59 percent of total units in 1959 compared with 52 percent in 1957.

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Total cigar and cigarillo consumption during the remainder of the year is expected to continue to gain and for 1960 as a whole will exceed all except 1 or 2 years of the early 1920's. The peak year was 1920 with $8\frac{1}{2}$ billion. However, in the 1920's, cigarillo-size cigars were relatively unimportant.

The gains in cigar sales have been largely among those retailing for 8 cents or less. Price lines of several established large-selling brands have been placed in the price range of 8 cents or less. Also included among cigars in the 8 cents or less group are cigarillos that are usually priced at about 4 to 6 cents apiece. Internal Revenue Service data on cigars by price groups report cigarillos as part of the cigar total--separate figures are not available from Internal Revenue. But the Cigar Manufacturers Association of America has sponsored surveys which furnish cigarillo data during each of the last 3 years. These surveys indicate that cigarillos sold in 1959 totaled about 933 million compared with 831 million in 1958 and 715 million in 1957. They gained 16 percent from 1957 to 1958 and 12 percent from 1958 to 1959. Cigarillos comprised $13\frac{1}{2}$ percent of the total taxable cigars reported by Internal Revenue Service for 1959. Cigarillo-size cigars for the purpose of the surveys were defined as weighing over 3 pounds but under 10 pounds per thousand.

Small cigars (cigarette-size) reported by the Internal Revenue Service weigh 3 pounds or less per thousand. Output and removals of small cigars soared during late 1958 and early 1959 after showing a declining trend for many years, but during the second half of 1959 volume dropped sharply and in the first third of 1960 output was only an eighth as much as in the first third of 1959. However, the January-April 1960 production rate for small cigars was still 2 to 3 times what it had been before its short-lived boom.

The number of cigars exported has jumped sharply, according to Census reports. Much of the increase in number is attributable to the cigarette-size cigars, which are included in the total. The Census export classification makes no distinction as to size or weight. It is estimated that regular cigar or cigarillo exports accounted for less than half of the 25 million cigars exported during July 1959-April 1960. Leading foreign outlets were Union of South Africa, Canada, Sweden, Hong Kong, Bahamas, Australia, Panama, Bermuda, Colombia, and Switzerland. Indications are that cigarette-size cigars predominated in the shipments to Union of South Africa, Sweden, Hong Kong, and Australia. The 11 million cigars exported during July 1958-June 1959 were principally large cigars or cigarillos.

Probably four-fifths of the cigars and cigarillos manufactured in domestic factories are now made with processed binder sheet instead of natural leaf binder so commonly used only a few years ago.

Market testing of cigars made with wrapper manufactured in continuous form instead of with wrappers from individual leaves has been announced. Successful development of tobacco sheet suitable for the outside wrappers of cigars will raise questions as to what the economic effects will be on the shade-grown cigar wrapper types of tobacco.

Table 3.--Large cigars and cigarillos: Output and consumption for specified periods

Period	Domestic factories			Bonded	Shipments	Imports for		Exports	Total consumption
	Manufac- tured	Removals	Tax- able	manufac- turing warehouse Taxable removals	from Puerto Rico to the United States	Total 1/	From Cuba		
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:									
1935-39	5,075	5,060	13	66	29	192	3	8	5,352
1940-44	5,450	5,282	199	105	11	94	15	9	5,682
1945	5,275	4,774	469	82	97	60	60	2	5,480
1946	5,618	5,621	26	125	69	22	20	3	5,860
1947	5,488	5,460	41	124	8	12	9	19	5,626
1948	5,645	5,588	38	140	4	12	10	13	5,769
1949	5,453	5,399	46	142	4	11	10	3	5,599
1950	5,399	5,365	47	160	3/	12	11	2	5,582
1951	5,594	5,518	85	177	3/	14	13	3	5,791
1952	5,825	5,755	102	196	1	15	12	3	6,066
1953	5,915	5,820	90	205	9	17	13	6	6,135
1954	5,820	5,690	89	206	47	16	12	8	6,040
1955	5,776	5,688	82	227	83	20	15	6	6,094
1956	5,767	5,633	72	230	94	23	18	9	6,043
1957	5,903	5,757	79	238	122	26	20	9	6,213
1958	6,225	6,020	87	240	139	28	22	9	6,505
1959 4/	6,608	6,470	103	247	144	31	24	10	6,985
Fiscal year									
Year end- ing June									
1955	5,787	5,704	82	222	64	18	14	6	6,084
1956	5,806	5,672	74	231	95	21	15	8	6,085
1957	5,780	5,652	74	234	100	24	18	8	6,076
1958	5,952	5,838	80	238	131	26	21	10	6,303
1959	6,506	6,408	101	254	142	34	27	10	6,929
1960 5/	6,740	6,600	105	248	150	30	22	11	7,122

1/ Predominant share of imports prior to 1942 came from Phillippine Islands.

2/ Total removals from domestic factories plus cigars from bonded manufacturing warehouses, from Puerto Rico and imports minus exports.

3/ Less than a half million.

4/ Subject to revision; exports are estimated.

5/ Estimated.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 4.--Cigars weighing not more than 3 pounds per thousand (approximately cigarette size): Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
	Millions	Millions	Millions	Millions
Average:				
1935-39	173.3	174.4	174.4	Neg.
1940-44	132.7	134.9	134.4	0.5
1945	98.2	100.2	100.2	Neg.
1946	92.3	90.8	90.8	Neg.
1947	79.7	80.6	80.6	Neg.
1948	89.1	89.6	89.5	0.1
1949	83.5	83.7	83.7	Neg.
1950	68.9	69.2	69.1	0.1
1951	69.2	68.6	68.2	0.4
1952	67.1	67.4	66.9	0.5
1953	58.3	56.9	56.7	0.2
1954	61.2	62.9	60.3	2.6
1955	58.7	57.8	57.0	0.8
1956	63.6	59.5	58.9	0.6
1957	49.0	49.1	48.8	0.3
1958	170.0	160.0	159.7	0.3
1959	530.1	505.5	481.6	23.9
1959				
Jan.-Apr.	366.4	334.2	331.9	2.3
May-Aug.	111.9	125.7	114.4	11.3
Sept.-Dec.	51.8	45.6	35.3	10.3
1960				
Jan.-Apr.	46.4	41.4	36.4	5.0

Compiled from reports of Internal Revenue Service.

Smoking Tobacco

Production of smoking tobacco in the year ending June 30, is estimated at near 73 million pounds--about $1\frac{3}{4}$ million below 1958-59 and about 2 million below 1957-58. In the last half of 1959, output was running 4 percent behind that of a year ago. But in the first quarter of 1960, it exceeded the year-earlier level by 2 percent, attributable to a March output which was the highest for that month in 5 years. Production in April was $5\frac{1}{2}$ percent less than a year earlier, and the total for the quarter may be smaller than in April-June of last year.

In the first 10 months of the current fiscal year (July 1959-April 1960), taxable removals of smoking tobacco were about $3\frac{1}{2}$ percent less than in the comparable period of 1958-59. The greater part of smoking tobacco consumed in this country is used as pipe tobacco, but a significant fraction--estimated at over a fourth--is used in "roll-your-own" cigarettes. Smoking tobacco is generally more economical than ready-made cigarettes and cigars, and its use tends to expand in periods of economic recession marked by substantial increases in unemployment. In view of the generally favorable outlook for consumer income and employment, appreciable gains in smoking tobacco are not likely. Smoking tobacco is a secondary outlet for the cigarette tobaccos, particularly burley.

Cigarette papers for "roll-your-own" cigarettes are given away when in packets of 25 or less and they are sold and subject to Federal tax when in packets or books of more than 25. Data on taxable and tax-exempt papers in the year ended June 30, 1959 indicate that consumption of smoking tobacco for "roll-your-own" cigarettes was the highest in several years. During the first 10 months of fiscal 1959-60, however, taxable papers were running 15 percent below those in the corresponding period of 1958-59. Taxable papers are estimated to comprise almost half of total cigarette papers.

Imports for consumption of manufactured tobacco (presumably almost entirely smoking tobacco) have risen sharply since 1957. They jumped from 169,000 pounds in 1957 to 687,000 pounds in 1959. During January-April 1960, these imports were more than two-fifths larger than in January-April 1959.

According to Bureau of Labor Statistics data, wholesale prices of smoking tobacco through April of this year were unchanged from January, when they were advanced 3 percent. As of April (latest month for which data are available) the index was 4 percent higher than a year ago.

Most of the smoking tobacco output is consumed in this country; annual exports of packaged smoking tobacco in recent years have ranged from some 500,000 to 700,000 pounds. In the first third of 1960, exports of packaged smoking tobacco were 21 percent higher than in the comparable months of last year. Exports to Canada--largest single outlet--increased 47 percent. Among the numerous other destinations, Denmark, United Kingdom, and Australia took significantly more than in January-April 1959.

Exports of smoking tobacco in bulk form are much larger than exports of packaged tobacco. This classification includes specially prepared cigarette tobacco, cut or granulated tobacco, partially processed blended tobacco and shredded tobacco, much of which is not included in smoking tobacco output as reported by the Internal Revenue Service. Last year, exports of bulk smoking tobacco were a record high-- $8\frac{1}{2}$ million pounds. Shipments to Spain, mostly under the P. L. 480 program, accounted for over a third of the total. In January-April 1960, exports of bulk smoking tobacco were a sixth smaller than in the like period a year ago. None was reported as going to Spain, in contrast to over $1\frac{1}{2}$ million pounds received in the first third of 1959. More than a fourth of total exports in the recent period went to Venezuela, which increased takings markedly over those a year earlier. There were also substantial increases in exports to Panama, Mexico, Switzerland and Bolivia, and a small gain in those to Australia. On the other hand, there were significant reductions in takings by Dominican Republic and Haiti.

Chewing Tobacco

Output of chewing tobacco in the year ending June 30 is estimated at near 66 million pounds--about $2\frac{1}{2}$ million less than a year earlier. This is a new longtime low. The decline was principally in plug chewing; little change occurred in the other major category, scrap chewing. Of the two smaller categories, twist declined by about 3 percent but fine-cut increased a little.

Compared with 5 years ago, plug chewing has dropped by about a fourth and scrap chewing, by about a tenth. The downtrend is expected to continue in the years ahead. Plug chewing utilizes mainly burley and the dark air-cured types, and scrap chewing takes significant quantities of cigar binder tobacco.

The Bureau of Labor Statistics index of wholesale prices of plug chewing through April 1960 has remained steady since increases were made in February and March last year.

Only a small fraction of chewing tobacco output is exported--mainly twist and plug. During the first third of 1960, exports of chewing tobacco were about an eighth below the relatively small shipments in the same months of 1959. Australia--the principal outlet--took 38 percent more than a year ago. But none went to the Philippine Republic, which took a substantial quantity in January-April 1959. Exports to Panama declined 7 percent.

Snuff

Output of snuff in the year ending June 30 is estimated at 34 million pounds--approximately a half-million less than in 1958-59 and about 800,000 pounds less than in 1957-58. Consumption in this country absorbs practically the entire snuff output.

Table 5.--Output of manufactured tobacco in the United States
for specified periods

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	83.7	36.9	4.9	2.9	36.6	81.3	38.5
1955	80.0	36.5	4.5	3.0	36.0	80.0	39.2
1956	71.5	33.0	4.3	2.9	35.5	75.7	37.7
1957	70.5	31.6	4.0	2.8	34.0	72.4	36.1
1958	76.0	29.6	3.8	2.9	33.0	69.3	34.8
1959	73.2	28.5	3.6	3.0	33.0	68.1	34.3
Fiscal year							
Year ending June							
1955	85.0	36.5	4.8	3.0	36.5	80.8	39.0
1956	74.0	34.0	4.3	2.9	36.1	77.3	38.4
1957	68.9	32.3	4.1	2.8	34.3	73.5	36.5
1958	75.0	30.2	3.9	2.8	33.3	70.2	34.8
1959	74.8	29.5	3.6	3.0	32.5	68.6	34.6
1960 ^{1/}	73.0	27.0	3.5	3.1	32.5	66.1	34.1

^{1/} Estimated.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

Throughout most of the postwar period, fiscal year production of snuff remained relatively stable, ranging between 39 and 41 million pounds. In 1956-57 and 1957-58 production fell off by 5 percent each year, but the rate of decline has slackened appreciably in the last two years. Even so, estimated output for 1959-60 is 5 million pounds or about an eighth less than 5 years ago. The fire-cured tobacco types find their main domestic outlet in snuff manufacture.

Most snuff is consumed in the southern, north-central and northwestern sections of the country. The major part is consumed by "dipping"--that is, placing it in the mouth. It is often favored by those in occupations where smoking is hazardous or inconvenient.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

U. S. exports of unmanufactured tobacco in the year ending June 30, 1960 are estimated at 455 million pounds, compared with 473 million in each of the two preceding fiscal years and a 1948-57 average of 485 million. Shipments of flue-cured, the principal export class, are estimated to have been down 5 percent from the preceding year. Increases in other kinds only partly offset this decline.

Overall economic factors are helping to sustain exports of U. S. tobacco. Economic activity in Western Europe--destination for around three-fourths of our tobacco exports--has been gaining rapidly since the beginning of 1959, and the outlook is favorable for continuation of the advance. Cigarette consumption abroad is rising. Except for Belgium, Norway and Sweden, gold and dollar holdings of importing countries in continental West Europe increased in 1959. Centrally held gold and dollar reserves of the United Kingdom at the end of May--\$2.9 billion--were below those on the same date in 1959 and 1958, but the decline was largely due to certain debt repayments; holdings as of the recent date substantially exceeded the low levels of 1957. U. S. total imports--the most important source of dollar exchange to foreigners who wish to buy from this country--were at an all-time high in 1959, and during the first third of 1960 they were running 6 percent higher than a year earlier. P. L. 480 programs--both under Title I which provides for sales for foreign currencies and Title III which permits barter for strategic and other materials--are contributing to the level of exports. Longer-term favorable factors are the changed method of determining support prices for U. S. tobacco (as provided by legislation last February), which should help to maintain stable prices, and the effects of the United Kingdom's removal of restrictions on tobacco imports from the dollar area this year.

1/ Quantities of tobacco in this section are stated in terms of export weight which is less than the equivalent farm-sales weight.

Offsetting factors, however, are the increasing competition facing U. S. growers from expanded production abroad, and the high duties and other trade restrictions imposed by many importing countries. The United Kingdom recently raised the duty on imported tobacco for the fourth time since the end of World War II, retaining the preferential margin equivalent to 21-1/2 cents a pound accorded to tobacco from Commonwealth sources. (See page 27.) Another factor bearing on U. S. exports is the concern expressed by many foreign buyers over the use of sucker control chemicals which, they contend, adversely affects the physical and chemical properties of the leaf. (See page 31.) Over the longer term, tariff arrangements envisioned under the European Common Market agreement will adversely affect the competitive position of U. S. tobacco in the 6 member countries, which as a group represent the second largest foreign market for our tobacco. Under the agreement favored treatment is accorded to tobacco imported from member countries and their associated overseas territories.

In 1959 the U. S. supplied nearly a third of the 1.4 billion pounds of leaf tobacco that moved in free-world trade. As the world's largest exporter, the U. S. exports leaf to about 90 foreign countries and their territories. Following are other exporters of tobacco and the quantities they shipped in 1959:

	<u>Million pounds.</u>
Rhodesia-Nyasaland	176
Turkey	147
Greece	124
India	83
Brazil	61
Cuba	58
Yugoslavia	44
Canada	41
Indonesia	34
Dominican Republic	27
Italy	26

Lesser quantities, ranging from 11 to 17 million pounds, were exported by Philippine Republic, Algeria, Japan and Colombia.

The U. S. ranks third among the world's importers of tobacco. The United Kingdom ranks first, and West Germany second. Our imports are used mainly for blending with domestic types, mostly in the manufacture of cigarettes and cigars. Table 13 shows the quantities of tobacco received in 1959 and other recent years by the 10 principal importers of the world (other than the U. S.) and the percentage supplied by this country. The listed countries accounted for 68 percent of total free-world tobacco imports in 1959. Adding imports by the U. S. increases the figure to 80 percent.

Table 6.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)

Country and type	Average 1952-56	1957	1958	1959 1/	January-April		
					1959	1960	1960 as percentage of 1959
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	403.0	417.7	398.7	374.0	72.1	67.0	93
Burley	28.5	20.5	28.8	31.9	10.6	8.5	80
Maryland	8.6	13.5	11.9	14.4	3.7	2.8	76
Va. fire-cured and sun-cured	4.4	5.3	4.6	4.6	2.1	1.3	62
Ky. and Tenn. fire-cured	21.6	22.0	19.7	17.8	6.3	6.3	100
Green River	1.9	1.6	1.2	.8	.6	.6	100
One Sucker	1.5	2.6	.9	2.4	1.6	.2	12
Black Fat, etc.	4.3	4.5	4.9	4.9	1.4	1.5	107
Cigar wrapper	3.7	4.5	4.7	4.0	1.7	1.3	76
Cigar binder	2.5	3.9	2.0	3.2	.8	.3	38
Cigar filler	.5	.1	.6	1.0	.3	2/	---
Perique	.1	.1	.1	.1	.1	.1	100
Stems, trimmings, and scrap	3.3	4.7	4.2	6.5	.6	.7	117
Total	483.9	501.0	482.3	465.6	101.9	90.6	89
Country of destination							
United Kingdom	144.9	166.5	160.5	139.6	17.3	14.7	85
France	7.7	7.5	8.2	5.8	2.1	3.0	143
Belgium	17.4	17.5	14.4	20.1	5.2	5.0	96
Netherlands	35.3	31.7	22.9	24.8	6.6	7.8	118
Germany, W. and E.	64.8	69.0	81.7	63.5	22.6	20.6	91
Portugal	6.8	5.8	7.1	6.4	3.8	3.5	92
Denmark	11.1	13.3	12.1	15.0	4.2	1.8	43
Ireland	13.9	9.8	13.5	10.0	.3	1.2	400
Switzerland	11.8	14.2	10.4	11.2	2.7	3.1	115
Norway	7.8	7.4	7.5	6.9	2.1	2.3	110
Sweden	11.7	14.8	11.6	10.3	1.2	1.5	125
Italy	4.7	5.6	7.2	10.4	2.2	0	---
Thailand	4.4	13.5	9.2	11.8	4.1	2.4	59
Australia	26.7	38.2	26.3	20.4	3.4	4.4	129
India	4.4	2.6	3.0	2.0	1.2	2/	---
Pakistan	2.9	2.9	.3	.8	.1	.5	500
New Zealand	6.5	6.3	6.3	7.3	2.0	1.5	75
Philippine Rep.	18.8	.1	5.0	4.1	.3	.2	67
Indonesia	12.9	11.5	1.7	2.4	.5	.1	20
Egypt	6.0	7.5	8.4	16.2	.5	1.3	260
Japan	9.4	3.6	11.2	11.6	1.6	2.7	169
Other countries	56.9	51.7	53.8	65.0	18.9	15.4	81
Total	483.9	501.0	482.3	465.6	101.9	90.6	89

1/ Preliminary. 2/ Less than 50,000 pounds.

Compiled from publications and records of the Bureau of the Census.

Table 7.--United States exports of unmanufactured tobacco, by types for specified periods

(Declared weight)													
Calendar year	Flue-cured	Burley	Md.	Va. fire-cured 1/	Ky.-Tenn. fire-cured	One sucker	Green River	Black Fat, etc.	Cigar			Stems, trimmings and scrap	Total 2/
									Wrap-per	Binder	Filler		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:													
1929-33	350.0	9.3	9.6	15.4	81.8	1.9	6.1	8.2	(	3.0	)	18.4	504.0
1934-38	324.9	11.6	5.5	9.7	53.7	.8	3.0	9.0	(	1.3	)	17.7	437.2
1939	246.0	11.7	6.3	8.3	41.7	2.1	2.3	7.2	(	1.5	)	31.3	358.5
1940	167.2	7.4	2.3	3.3	29.2	1.5	.4	5.2	(	.5	)	18.6	235.7
1941	232.9	6.0	2.5	4.3	9.8	1.2	.5	3.5	(	1.9	)	7.0	269.8
1942	212.1	5.2	.9	6.4	8.1	.2	.5	3.0	(	.3	)	.1	237.5
1943	368.5	4.1	1.3	4.0	10.3	.5	.5	3.2	(	.7	)	.2	393.4
1944	251.4	8.1	1.7	4.0	8.0	1.0	.5	2.0	(	2.2	)	1.2	280.2
1945	377.0	11.6	2.9	6.6	58.8	3.3	1.6	3.2	(	5.2	)	1.9	472.3
1946	545.0	35.1	6.4	7.7	30.6	3.7	2.5	5.7	(	5.0	)	20.6	663.2
1947	400.1	43.0	6.3	7.6	21.3	2.0	1.5	4.9	(	6.1	)	14.2	507.2
1948	342.7	23.4	7.8	7.7	19.9	1.2	.8	5.1	(	6.1	)	11.9	426.6
1949	379.9	35.1	7.9	4.7	28.5	6.6	3.2	4.8	3.2	9.0	10.1	5.1	498.2
1950	383.9	37.6	6.7	5.8	24.0	2.0	1.2	3.6	3.4	2.8	1.1	5.4	477.6
1951	433.8	25.2	8.0	4.5	29.2	3.6	1.9	4.9	3.5	2.9	.5	4.0	522.1
1952	319.3	27.0	5.8	5.1	21.8	1.5	2.3	3.2	3.1	2.8	.9	3.6	396.5
1953	444.3	25.0	8.1	4.3	19.5	1.0	1.8	3.9	3.9	3.1	.6	3.0	518.7
1954	374.8	29.6	8.7	4.0	20.9	.9	2.1	4.5	3.4	1.7	.2	2.7	453.6
1955	456.1	31.7	8.4	4.4	21.4	1.7	1.8	5.3	4.2	1.7	.2	3.3	540.3
1956	420.4	29.2	12.1	4.4	24.2	2.4	1.3	4.6	3.9	3.1	.8	3.9	510.4
1957	417.7	20.5	13.5	5.3	22.0	2.6	1.6	4.5	4.5	3.9	.1	4.7	501.0
1958	398.7	28.8	11.9	4.6	19.7	.9	1.2	4.9	4.7	2.0	.6	4.2	482.3
1959 3/	373.7	31.9	14.4	4.9	17.8	2.4	.8	4.9	4.0	3.2	1.0	6.5	465.6
Percentage of total													
Average:													
1929-33	69.4	1.9	1.9	3.1	16.2	.4	1.2	1.6	(	.6	)	3.7	100.0
1934-38	74.3	2.7	1.3	2.2	12.3	.2	.7	2.1	(	.3	)	4.0	100.0
1939	68.6	3.3	1.8	2.3	11.6	.6	.6	2.0	(	.4	)	8.7	100.0
1940	70.9	3.1	1.0	1.4	12.4	.6	.2	2.2	(	.2	)	7.9	100.0
1941	86.3	2.2	.9	1.6	3.6	.4	.2	1.3	(	.7	)	2.6	100.0
1942	89.3	2.2	.4	2.7	3.4	.1	.2	1.3	(	.1	)	.1	100.0
1943	93.7	1.0	.3	1.0	2.6	.1	.1	.8	(	.2	)	.1	100.0
1944	89.7	2.9	.6	1.4	2.9	.4	.2	.7	(	.8	)	.4	100.0
1945	79.8	2.5	.6	1.4	12.5	.7	.3	.7	(	1.1	)	.4	100.0
1946	82.2	5.3	1.0	1.2	4.6	.6	.4	.9	(	.8	)	3.1	100.0
1947	78.9	8.5	1.2	1.5	4.2	.4	.3	1.0	(	1.2	)	2.8	100.0
1948	80.3	5.5	1.8	1.8	4.7	.3	.2	1.2	(	1.4	)	2.8	100.0
1949	76.3	7.1	1.6	.9	5.7	1.3	.6	1.0	.6	1.8	2.0	1.0	100.0
1950	80.4	7.9	1.4	1.2	5.0	.4	.3	.8	.7	.6	.2	1.1	100.0
1951	83.1	4.8	1.5	.9	5.6	.7	.4	.9	.7	.6	.1	.8	100.0
1952	80.5	6.8	1.5	1.3	5.5	.4	.6	.8	.8	.7	.2	.9	100.0
1953	85.7	4.8	1.6	.8	3.8	.2	.3	.8	.7	.6	.1	.6	100.0
1954	82.6	6.5	1.9	.9	4.6	.2	.5	1.0	.7	.4	---	.6	100.0
1955	84.4	5.9	1.6	.8	4.0	.3	.3	1.0	.8	.3	---	.6	100.0
1956	82.4	5.7	2.4	.9	4.7	.5	.3	.9	.8	.6	.2	.8	100.0
1957	83.4	4.1	2.7	1.1	4.4	.5	.3	.9	.9	.8	---	.9	100.0
1958	82.7	6.0	2.5	1.0	4.1	.2	.2	1.0	1.0	.4	.1	.9	100.0
1959	80.3	6.8	3.1	1.1	3.8	.5	.2	1.1	.8	.7	.2	1.4	100.0

1/ Includes Virginia sun-cured. 2/ Individual classifications may not add to total due to rounding and inclusion of Perique in total. 3/ Preliminary.

Compiled from publications and records of the United States Department of Commerce.

Table 8.--United States exports of unmanufactured tobacco to principal importing countries, averages 1934-38, 1940-44 and 1945-49, annual 1950-59

Country	(Declared weight)														
	Averages					1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 1/
	1934-38	1940-44	1945-49												
	Mil. lb.	Mil. lb.	Mil. lb.	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959		
United Kingdom:	213.9	171.5	237.9	133.1	223.4	54.7	179.7	150.0	183.9	156.4	166.5	160.5	139.6		
Germany W.&E.	12.8	0	23.2	81.8	47.7	79.6	71.9	43.4	59.2	70.1	69.0	81.7	63.5		
Netherlands	15.6	1.0	29.4	32.2	24.3	36.2	38.1	38.1	31.0	33.0	31.7	22.9	24.8		
Ireland	7.4	6.9	16.1	17.6	17.6	16.4	17.5	14.1	12.8	8.8	9.8	13.5	10.0		
Belgium	15.5	.9	18.3	27.7	29.6	15.6	12.6	12.2	25.0	21.8	17.5	14.4	20.1		
France	21.0	3.4	20.5	8.5	10.0	6.7	4.7	12.6	7.9	6.4	7.5	8.2	5.8		
Switzerland	3.8	5.1	12.1	14.4	12.4	10.7	11.9	11.7	10.8	13.8	14.2	10.4	11.2		
Sweden	7.2	4.9	11.5	13.7	15.0	13.0	10.2	9.6	11.3	14.4	14.8	11.6	10.3		
Denmark	4.6	.3	7.8	14.8	9.1	9.5	11.8	9.5	12.3	12.5	13.3	12.1	15.0		
Norway	4.7	.2	8.5	7.7	6.6	7.8	7.4	7.6	7.8	8.5	7.4	7.5	6.9		
Portugal	4.8	5.9	9.1	7.5	6.0	5.0	6.9	7.4	6.9	7.9	5.8	7.1	6.4		
Italy	1.1	.1	6.1	2.6	2.2	2.9	5.6	3.9	4.5	6.6	5.6	7.2	10.4		
Spain	5.3	.3	.5	.5	6.1	.9	3.7	2.9	4.8	4.3	2.6	7.0	5.7		
Austria	.3	0	2.1	6.5	4.1	5.2	3.3	1.9	5.8	9.0	1.7	4.8	3.4		
Finland	1.1	.6	1.2	2.2	3.7	3.5	3.3	6.0	5.3	6.4	4.2	5.3	7.1		
Australia	18.4	18.1	20.6	18.1	20.3	24.0	26.7	28.2	31.6	23.2	38.2	26.3	20.4		
Philippine R.	1.2	.8	.3	27.1	9.5	29.7	20.9	19.5	21.5	2.3	.1	5.0	4.1		
Indonesia 2/	2.0	2.3	2.7	7.4	12.2	13.6	13.0	10.3	9.9	17.8	11.5	1.7	2.4		
New Zealand	2.5	5.1	5.6	6.5	7.1	5.4	5.8	6.6	7.6	7.1	6.3	6.3	7.3		
Hong Kong	1.6	3.8	4.1	5.2	4.6	3.6	4.1	3.5	4.3	3.7	3.2	2.8	4.6		
India-Pakistan:	2.6	10.1	11.0	5.5	6.1	5.8	2.9	3.5	5.6	4.3	5.5	3.2	2.8		
Japan	7.3	0	0	0	1.9	7.4	9.5	6.7	17.5	5.8	3.6	11.2	11.6		
Thailand 3/	2.9	1.4	2.0	4.4	6.3	6.1	6.5	4.6	8.6	8.8	13.5	9.2	11.8		
China	48.2	20.2	26.7	.3	0	0	0	0	0	0	0	0	0		
Egypt	1.1	4.1	4.3	4.0	3.8	3.2	5.6	5.7	9.5	6.2	7.5	8.4	16.2		
Other Countries	30.4	16.3	35.5	28.3	32.5	30.0	35.0	34.1	34.9	51.3	40.0	34.0	44.2		
Total	437.3	283.3	517.1	477.6	522.1	396.5	518.7	453.6	540.3	510.4	501.0	482.3	465.6		

1/ Preliminary. 2/ Formerly Netherland Indies. 3/ Formerly Siam.

Compiled from publications and records of the Bureau of the Census.

Table 9.--Flue-cured tobacco, types 11-14: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning July 1	United Kingdom	Germany 1/	Belgium	Nether- lands	Ireland	Denmark	Aus- tralia	Indo- nesia 2/	Japan	Other coun- tries	All coun- tries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:											
1924-28	47.8	17.9	21.7	18.3	---	18.4	37.7	---	39.2	25.5	35.6
1934-38	46.4	17.8	14.6	13.5	37.2	16.0	36.3	20.2	27.5	22.3	38.4
1945	55.6	---	36.1	40.5	56.1	50.0	54.6	---	---	58.7	55.4
1946	63.3	---	31.8	39.5	56.6	33.3	64.4	41.1	---	58.3	58.2
1947	57.2	20.7	28.0	33.9	55.3	35.7	58.4	39.9	---	52.4	51.4
1948	53.8	29.3	32.3	33.8	59.9	53.7	69.2	50.9	---	56.6	50.6
1949	55.3	32.2	30.0	27.2	56.3	42.9	68.2	54.9	---	52.7	48.7
1950	64.0	43.5	36.9	42.9	62.0	54.2	69.3	60.7	78.4	72.2	59.7
1951	66.3	54.5	44.9	44.8	68.0	57.9	74.9	64.2	84.3	69.7	64.6
1952	69.6	57.4	40.9	43.6	70.1	58.7	76.6	66.0	86.7	66.8	64.6
1953	71.1	61.3	40.7	43.1	69.6	66.3	79.5	67.9	90.5	68.8	66.9
1954	73.2	61.9	37.4	43.2	72.3	63.2	79.8	67.7	84.3	71.0	68.5
1955	71.1	63.1	36.5	43.0	71.6	66.0	76.7	54.1	80.5	67.7	66.6
1956	72.1	63.3	45.1	46.7	72.1	67.6	78.7	56.1	88.1	73.4	68.9
1957	78.3	68.6	47.1	51.0	79.4	69.7	79.8	67.5	93.5	73.0	73.5
1958 3/	78.8	70.4	46.3	48.5	78.7	69.8	82.3	71.0	94.1	72.4	74.3
1959 4/	81.7	70.3	49.2	48.5	83.5	68.3	82.3	68.8	96.9	72.6	75.3

1/ West Germany after World War II. 2/ Netherlands Indies prior to World War II. 3/ Preliminary.
4/ July 1959-April 1960.

Computed from the declared values and export weights as reported in publications of the United States Department of Commerce.

Table 10.--Burley and Maryland tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning October 1	Burley, type 31							Maryland, type 32 2/			
	Germany 1/	Belgium	Portu- gal	Sweden	Denmark	Nether- lands	All coun- tries	Switzer- land	Nether- lands	France	All coun- tries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:											
1934-38	24.4	11.7	18.6	36.8	17.4	16.0	20.5	39.6	9.5	35.6	23.5
1945	---	32.0	37.4	73.9	35.7	36.9	40.2	63.2	55.8	38.6	62.3
1946	---	30.4	32.4	61.3	35.9	32.8	47.4	73.0	26.3	16.2	56.9
1947	26.2	30.7	34.7	59.7	34.4	24.7	46.7	66.2	27.0	18.9	49.5
1948	34.9	32.5	33.7	54.2	45.6	36.1	43.0	71.4	26.2	---	59.8
1949	36.4	30.0	33.3	60.9	38.5	31.3	38.8	74.8	30.7	70.0	63.8
1950	41.6	32.2	35.6	58.6	39.0	35.0	46.1	79.3	33.7	76.7	64.9
1951	50.3	32.6	31.8	71.5	51.0	43.9	52.0	83.7	29.2	3/	72.3
1952	56.1	33.0	33.3	74.9	48.4	42.8	53.2	82.7	34.0	---	66.5
1953	53.9	33.1	32.9	77.4	45.2	42.5	51.9	80.0	30.7	---	61.4
1954	59.5	34.3	29.6	76.5	48.1	38.8	54.3	84.0	37.2	79.2	70.1
1955	60.6	42.7	34.6	73.1	52.5	43.2	57.0	80.0	37.9	79.1	62.8
1956	66.7	50.3	63.8	79.5	66.3	52.5	73.7	81.2	36.1	80.1	62.2
1957	76.8	56.9	62.6	85.0	79.6	65.1	78.5	81.2	41.7	87.2	66.2
1958 4/	81.3	45.8	68.9	87.7	89.8	61.8	82.6	80.2	47.0	88.4	64.1
1959 5/	80.9	45.6	58.7	88.7	89.9	71.8	84.8	86.1	50.0	75.0	80.2

1/ West Germany after World War II. 2/ Prior to 1949, export class called "Maryland and Ohio Export."
3/ Quantity negligible. 4/ Preliminary. 5/ October 1959-April 1960.

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

Table 11.--Fire-cured tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning October 1	Kentucky and Tennessee fire-cured, types 22-23 1/							Virginia fire-cured type 21				
	France	Nether- lands	Switzer- land	Belgium	United Kingdom	Sweden	All coun- tries	Norway	Sweden	United Kingdom	Germany: 2/	All coun- tries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:												
1924-28	9.3	25.3	17.2	10.6	23.5	17.6	16.6	31.3	26.9	38.4	32.2	26.7
1934-38	10.7	15.3	15.7	10.4	19.3	17.9	12.9	23.4	23.2	28.2	24.8	23.0
1945	32.8	46.0	28.0	32.2	46.2	33.3	34.4	50.3	41.2	48.0	---	45.4
1946	---	39.9	35.3	32.0	46.8	42.9	42.0	55.3	53.3	48.0	---	49.1
1947	24.0	32.7	41.2	31.1	---	39.8	40.6	51.4	46.0	59.0	62.2	47.4
1948	31.4	38.2	42.3	34.8	50.0	40.2	37.6	54.1	47.1	58.8	41.3	50.3
1949	34.9	43.1	47.1	31.5	40.0	42.6	40.4	50.4	50.1	53.1	49.0	52.2
1950	36.7	40.5	44.8	32.6	44.9	43.7	39.6	54.7	49.5	48.6	65.9	56.3
1951	---	43.1	42.1	39.2	44.2	49.5	45.1	59.2	55.9	68.8	66.1	66.3
1952	58.5	48.3	55.1	33.7	58.1	51.5	49.3	58.5	61.0	75.3	68.7	63.5
1953	49.7	48.5	57.6	34.2	68.4	55.0	51.6	62.6	59.1	65.9	73.2	63.2
1954	46.6	44.5	60.1	36.3	40.1	50.6	51.5	62.1	61.7	74.6	67.8	62.1
1955	46.6	47.5	59.4	36.2	58.8	52.2	52.5	59.6	54.5	64.8	64.4	61.4
1956	46.6	49.3	53.2	37.5	60.4	57.8	48.3	58.2	61.1	72.1	75.5	66.1
1957	51.3	48.5	52.7	34.2	64.5	54.4	46.3	63.8	40.7	68.8	73.9	66.5
1958 3/	56.0	44.6	49.2	39.7	61.8	56.4	43.6	59.6	57.7	70.1	72.5	63.4
1959 4/	55.1	42.9	52.2	39.3	57.1	56.0	46.6	61.9	57.7	67.8	66.3	63.4

1/ Prior to World War II, includes some type 24 which became negligible thereafter. 2/ West Germany after World War II. 3/ Preliminary. 4/ October 1959-April 1960.

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

Table 12.--Black Fat and dark-air-cured tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning October 1	Black Fat 1/				Green River, type 36		One Sucker, type 35
	Ghana	Nigeria	French Africa	All countries	United Kingdom	All countries	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:							
1934-38	21.3	22.9	15.5	18.3	25.6	20.8	9.3
1945	55.4	56.8	42.2	49.1	39.3	33.1	29.2
1946	53.9	56.6	43.9	50.8	37.7	38.6	32.0
1947	57.3	59.3	42.5	54.7	41.0	36.8	31.2
1948	62.4	62.1	40.4	54.9	36.8	32.1	37.6
1949	63.6	66.2	47.4	60.9	41.6	40.0	54.0
1950	67.0	67.6	42.2	58.9	40.9	30.4	46.3
1951	77.2	74.9	44.3	66.2	46.0	49.2	68.6
1952	84.8	81.4	51.8	76.9	37.5	37.7	69.6
1953	84.6	80.3	53.2	77.0	51.1	44.1	46.4
1954	85.7	81.7	54.4	74.8	45.5	36.0	24.4
1955	86.2	84.1	56.6	79.6	46.8	39.9	42.4
1956	87.1	86.8	56.9	79.9	59.2	35.3	30.4
1957	87.6	89.4	57.2	80.5	56.9	41.1	43.2
1958 2/	90.9	91.9	60.0	83.9	67.0	56.6	34.5
1959 3/	93.7	93.9	61.2	86.7	51.6	51.6	43.7

1/ Also Dark African and Water Baler. 2/ Preliminary. 3/ October 1959-April 1960.

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

Major Foreign Countries Exporting Tobacco

U. S. flue-cured meets competition in world markets mainly from that grown in the Federation of Rhodesia and Nyasaland, India and Canada. Turkey and Greece--third and fourth ranking exporters in 1959--produce oriental tobacco, also a cigarette tobacco.

In the Federation of Rhodesia and Nyasaland, the flue-cured crop harvested early in 1960 is currently estimated at 209 million pounds--14 million more than last year and the largest on record. Although acreage was reduced by about 4 percent in the main producing area of Rhodesia, average yields are estimated at a record 990 pounds per acre compared with 886 pounds obtained last year. Auction sales of Rhodesian tobacco, which began April 4, totaled about 61 million pounds through June 2. Prices have averaged the equivalent of $38\frac{1}{2}$ cents per pound, nearly a fifth higher than by the corresponding week of sale last year. In January-March 1960, exports of tobacco from Rhodesia-Nyasaland totaled about 15 million pounds, of which 11 million were flue-cured. Consignments to the United Kingdom and other Commonwealth destinations accounted for over half of the total. Compared with a year earlier, the United Kingdom increased takings 78 percent. More also went to Malaya and Singapore, Australia, Ghana and Sierra Leone, but less to Hong Kong and Union of South Africa. Exports to West European countries accounted for 30 percent of the total and were mainly to Belgium and Netherlands; smaller quantities went to West Germany, Denmark, Norway, Portugal and Switzerland. The majority of European destinations took more than a year ago.

The 1959 flue-cured crop in Canada, about 153 million pounds, was 16 percent less than the record 1958 outturn. All but a small fraction of Canada's flue-cured crop is produced in Ontario. Last year, harvested flue-cured acreage in Ontario was about 4 percent smaller than in 1958, and the average yield per acre at 1,311 pounds was down by about an eighth. The 1960 acreage quota for Ontario flue-cured has been set at about 131,000 acres--an increase of almost 14,000 from last year, when actual acreage was 5 percent short of the quota.

Sales of Ontario flue-cured in the 1959-60 season, which extended from November 17 to March 11, totaled 145 million pounds, averaging 56.1 Canadian cents per pound, nearly 10 cents a pound more than the average in the year previous and record high. In the recent season, flue-cured that was not treated by sucker retardant chemical averaged 56.2 Canadian cents per pound; treated flue-cured (comprising about 1 percent of total sales) averaged 45 7 cents. Canada's exports of flue-cured in 1959, mostly from the large 1958 crop, at 38 million pounds were over a third greater than in the preceding year. Exports in 1960, however, will probably be below last year's level, in view of the reduced size of the crop.

India's 1960 flue-cured crop is estimated at 115 million pounds, 5 percent below 1959 but 9 percent above 1958. Leading outlets for Indian flue-cured last year were the United Kingdom, which received over half, Soviet Union, Ireland, Netherlands, Belgium, Hong Kong, French West Africa and West Germany.

Table 13.--Tobacco imports of ranking foreign markets and percentage supplied by the United States, 1956-59

Country	Total tobacco imports <u>1/</u>				Percentage supplied by the United States			
	1956	1957	1958	1959	1956	1957	1958	1959
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.	Pct.	Pct.	Pct.
United Kingdom	318	319	316	301	50	53	52	47
West Germany	155	169	171	178	40	38	36	33
Netherlands	71	72	77	75	36	35	32	30
France	77	67	69	67	8	13	10	8
Belgium	50	56	58	59	41	34	30	28
Spain <u>2/</u>	50	47	65	52	13	16	14	19
Australia	37	45	43	37	72	75	73	68
Denmark	27	25	25	28	52	52	48	47
Switzerland	27	27	28	28	44	45	45	43
Egypt	26	25	26	26	31	36	28	25

1/ Unmanufactured.

2/ Includes Canary Islands.

Compiled from reports of Foreign Agricultural Service.

The 1959 oriental tobacco crop in Turkey is estimated at 263 million pounds--3 percent above 1958. Tobacco exports in 1959 are placed at 147 million pounds, compared with 124 million in 1958 and the record 195 million in 1957. In the first quarter of 1960, exports were running 38 percent lower than in the same months last year. Consignments to the United States, principal outlet, were down by a fourth, and to West Germany, second ranking outlet, by a third. Larger exports than a year earlier went to Czechoslovakia and Italy, but less was taken by France, Austria and Soviet Union.

In Greece, the 1959 tobacco crop is currently estimated at 174 million pounds--7 percent smaller than the previous year's crop and about a fourth smaller than the 1957 record outturn. Exportable supplies from the 1959 crop are estimated at 141 million pounds. In addition, stocks from the 1958 and earlier crops amounted to 71 million pounds on April 1, 1960, a third of which was held by the Government. Exports in January-March were a tenth above those in the comparable period of 1959. The United States, chief outlet, took 40 percent more than a year ago. There was also an increase in exports to Soviet Union, Czechoslovakia and Hungary, but a decline in those to West Germany, Austria and Portugal.

British Tobacco
Situation

The United Kingdom--largest single foreign market for U. S. tobacco--imported 278 million pounds of unmanufactured tobacco from all sources in July 1959-April 1960, 3 million more than in the corresponding period a year earlier. As usual, flue-cured comprised about nine-tenths of the total. Tobacco imports from the U. S. dropped 12 million pounds; those from Commonwealth countries rose by 20 million. Imports from Rhodesia-Nyasaland and Canada increased by 28 percent and 25 percent, respectively, while those from India fell off nearly a third. Receipts from the U. S. accounted for 51 percent of the total, compared with 56 percent a year earlier. Commonwealth sources provided 48 percent of total imports, compared with 41 percent in the same months of 1958-59.

On April 5, the duties on tobacco imported into the United Kingdom were raised by the equivalent of 47 cents a pound. The duty on unstemmed tobacco imported from non-Commonwealth countries was thus increased from the equivalent of \$8.56 to \$9.03 a pound, while that on tobacco imported from Commonwealth areas was increased from the equivalent of \$8.35 to about \$8.81 a pound. The preferential margin accorded to Commonwealth countries remains at about 21½ cents a pound, equal to about 2½ percent. The increase in duty is expected to yield an additional 39 million pounds sterling (equivalent to \$109 million) in revenue this year.

The increase in duty rates is equivalent to about 2 cents per pack of 20 cigarettes, raising the price of a pack costing the equivalent of 55 cents to 57 cents. Since April 1, 1947, the United Kingdom has increased its duty rates on imported tobacco four times. With the recent increase, duties on imported tobacco--both from preferential and non-preferential sources--are over 80 percent higher than they were at the close of World War II.

Gross clearances of tobacco from bond in the United Kingdom are an approximate measure of home use and exports combined. In the 9 months ended March 31, 1960, gross clearances at 242 million pounds were 15 million higher than a year earlier. About 90 percent of gross clearances was flue-cured. More detailed data available for July 1959-February 1960 indicate that gross clearances of flue-cured were composed as follows: From United States, 52 percent; from Rhodesia, 27 percent; from India, 12 percent; and from Canada, 9 percent.

During July 1959-March 1960, British home consumption of tobacco was 8 percent above that in the corresponding period of 1958-59. Use of tobacco from Commonwealth sources increased by 12 percent; consumption of non-Commonwealth leaf gained by 4 percent. Cigarettes account for approximately 85 percent of total tobacco consumption in the United Kingdom. In 1959, consumption of cigarettes and cigars rose. Compared with 1958, consumption of smoking tobacco also increased, and that of snuff held even, but use of both these forms is far below prewar levels. Last year, British consumers spent the equivalent of close to \$3 billion for tobacco products, about 3 percent more than in 1958 and about 40 percent more than 10 years ago.

Table 14.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports <u>1/</u>			Stocks Dec.31	Gross clearances from bond <u>3/</u>			Exports of manu- factured tobacco	Re-exports of unmanu- factured tobacco
	From U. S. <u>2/</u>	From Common- wealth count- tries <u>2/</u>	Total		Non- prefer- ential <u>2/</u>	Perfer- ential <u>2/</u>	Total		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:									
1934-38	213	57	275	497	185	47	232	39	12
1939-45	182	63	255	310	215	62	277	27	5
1946	366	62	433	383	261	61	322	55	7
1947	201	82	296	384	235	57	292	52	1
1948	172	97	281	390	204	67	271	45	1
1949	154	119	302	419	190	81	271	47	2
1950	144	146	306	445	180	91	271	43	4
1951	212	131	355	498	183	104	287	51	7
1952	67	143	224	430	172	108	280	47	12
1953	174	127	316	452	167	116	283	45	9
1954	160	139	312	468	168	122	290	41	4
1955	179	149	344	507	173	125	298	44	4
1956	160	146	318	523	173	127	300	45	3
1957	168	141	319	532	170	135	305	41	3
1958	164	145	316	534	172	138	310	41	2
1959 <u>4/</u>	140	157	301	515	171	144	315	34	2
July-April									
1955-56	199	102	313	5/487	6/131	6/96	6/227	36	3
1956-57	142	132	281	5/493	6/131	6/98	6/229	37	2
1957-58	160	114	280	5/494	6/128	6/101	6/229	35	2
1958-59	155	114	275	5/491	6/126	6/101	6/227	32	1
1959-60	143	134	278	5/483	6/129	6/113	6/242	27	4

1/ Unmanufactured tobacco.

2/ Since 1946 the full duty rate on tobacco from the United States and other nonpreferential areas has been 2.4 to 2.9 percent above the preferential rate on tobacco from Commonwealth areas. In the prewar period, the full duty rate was over 25 percent above the preferential rate.

3/ Largely withdrawals for manufactures for home use and export.

4/ Subject to revision.

5/ March 31.

6/ July-March.

Compiled from the Annual Statement of Trade and Accounts Relating to Trade and Navigation of the United Kingdom.

The United Kingdom and the U. S. are the world's principal exporters of cigarettes. In the period July 1959-April 1960, British tobacco exports (mostly cigarettes) were about a sixth smaller than a year earlier and nearly a fourth smaller than 2 years earlier. Britain's exports of manufactured tobacco products have been trending downward in recent years, reflecting increased local production in several of her traditional outlets. Of the major markets for British cigarettes, larger quantities than in July 1958-April 1959 went to Aden, Hong Kong, France, Persian Gulf Establishments, Cyprus, Sudan and Arabian States. But these gains were more than offset by sharp drops in consignments to Singapore and Malaya, and a moderate decline in those to West Germany. It is likely that Britain's cigarette exports to both Singapore and Malaya will continue to decline as new cigarette factories in those areas expand production.

Stocks of leaf tobacco in the United Kingdom on March 31, 1960 totaled 483 million pounds, 8 million less than a year earlier and 11 million less than 2 years earlier. More detailed data available for stocks as of the end of February 1960 indicated stocks of U. S. flue-cured at 273 million pounds, 3 percent below a year ago. Holdings of Rhodesian tobacco at 97 million pounds were a little larger than at the end of February 1959. Stocks of Indian flue-cured were 5 percent smaller, but those of Canadian flue-cured were nearly a fourth larger than a year ago. British stocks of Nyasaland fire-cured were down about a tenth; those of air- and sun-cured from India and Nyasaland were unchanged. Stocks of oriental tobacco from Turkey and Greece were only about a fifth of those held on February 28, 1959. Stocks of leaf tobacco in the United Kingdom generally reach their lowest point at the end of July and usually are highest at the end of December.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

Imports of foreign grown tobacco into the United States in January-April 1960 at 53 million pounds were 7 percent larger than in the comparable months of last year. Cigarette leaf, comprising about 70 percent of the total, was up by 9 percent, mostly attributable to a gain in receipts from Turkey. Imports from Greece--our other major supplier of cigarette leaf--increased a little. Stocks of foreign grown cigarette and smoking tobacco in this country on April 1, 1960 totaled 233 million pounds--a new record high for that time of year. These holdings were about 1 million more than a year earlier and nearly 5 million more than 2 years earlier.

Receipts of cigar leaf (filler) were 7 percent less than in January-April 1959; both stemmed and unstemmed tobacco were down from year-earlier levels. Imports of scrap--also largely used in cigars--from Cuba declined by 6 percent, but imports from the Philippine Republic rose by over a sixth.

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 15.--United States imports for consumption of unmanufactured tobacco,
from principal supplying countries, for specified periods

Classification and country of origin	(Declared weight)						
	Average 1952-56	1957	1958	1959 <u>1/</u>	January-April		
					1959	1960	1960 as a percentage of 1959
	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	<u>Pct.</u>
Cigarette leaf							
Unstemmed:							
Turkey	57.4	60.0	65.1	69.6	21.6	23.9	111
Greece	16.2	23.3	28.5	31.6	10.4	10.6	102
Syria	2.8	1.2	1.1	.9	.3	.2	67
Italy	1.4	1.5	1.7	1.8	.6	.6	100
Cyprus	.3	.5	1.3	1.0	.3	.4	133
Yugoslavia	1.8	3.6	4.0	4.6	1.3	1.7	131
Total <u>2/</u>	81.0	91.2	104.6	111.9	35.2	38.2	109
Cigar leaf (filler)							
Cuba:							
Stemmed	9.3	8.8	9.0	9.1	3.0	2.4	80
Unstemmed	4.4	3.0	3.1	3.7	1.3	1.2	92
Philippines, Rep.:							
Stemmed	.6	.2	.3	<u>3/</u>	.1	.5	500
Unstemmed	.1	0	.1	<u>3/</u>	<u>3/</u>	0	---
Total <u>2/</u>	14.5	12.2	12.7	13.1	4.5	4.2	93
Scrap:							
Cuba	9.5	12.3	13.8	16.2	5.1	4.8	94
Philippines, Rep.	2.6	6.1	5.5	7.4	3.8	4.5	118
Total <u>2/</u>	12.1	18.4	19.5	24.7	9.2	10.4	113
Cigar wrapper (unst.)							
Indonesia	.4	.1	.1	<u>3/</u>	.2	<u>3/</u>	---
Cuba	.5	.6	.5	.5	<u>3/</u>	.2	---
Total <u>2/</u>	.9	.7	.6	.6	.2	.2	100
Total imports <u>4/</u>	109.4	124.1	138.5	151.7	49.7	53.3	107

1/ Preliminary.

2/ Includes relatively small quantities from other countries not separately listed.

3/ Less than 50,000 pounds.

4/ Includes stems not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Stocks of Cuban tobacco in the United States on April 1 amounted to 35 million pounds--nearly half again as much as a year earlier and closely approaching the previous peak reached on April 1, 1947. Stocks of Philippine tobacco on April 1, 1960 at 12.7 million pounds were 6 percent below last year's holdings--largest on record. Stocks of Indonesian tobacco, which have dwindled, amounted to only 40,000 pounds.

TOBACCO GROWERS CAUTIONED AGAINST USE OF MALEIC HYDRAZIDE (MH-30)

Tobacco growers have been cautioned by the U. S. Department of Agriculture that use of maleic hydrazide (MH-30) on tobacco to control sucker growth could seriously jeopardize the tobacco price support program and the domestic and export markets for U. S. tobacco. This warning to growers was released after the Department had received strong protests against use of the chemical from the major tobacco companies.

Buyers have stated that they will not knowingly buy tobacco treated with the chemical. Their position is based on evidence from their laboratory tests on flue-cured, burley, Maryland and cigar tobaccos, which they contend showed that maleic hydrazide seriously affects the physical and chemical properties of the leaf. It is contended that, compared with tobacco that was hand suckered, the tests showed tobacco treated with MH-30 tended to be more dense in leaf structure, to have a soggy nature and poor texture, resulting in poor taste. A loss in firmness in treated tobacco was also reported, attributed to its ability to hold more moisture. Cigarette manufacturers are especially critical of this characteristic of treated tobacco, as consumers prefer firm, well-filled cigarettes. Another serious buyer objection to treated tobacco is loss of the free-burning rate of cigarettes.

As treated tobacco in many instances cannot be distinguished on the auction floor, any undesirable physical and chemical attributes and inferior smoking quality can only be established by laboratory tests and in factory operations--after the buyer has purchased the tobacco. The manufacturer may be then forced to use tobacco that does not meet his usual standards. Should this situation continue, it is likely that the demand--both domestic and foreign--for U. S. tobacco will decrease.

The procedure in marketing tobacco from Government loan stocks permits prospective buyers, if they so desire, to take samples for testing in the laboratory. Where the use of maleic hydrazide (MH-30) is suspected, it is doubtful that such tobacco would move freely into the channels of trade. Thus there would be an accumulation of burdensome surpluses of tobacco under Government loan, not only endangering the tobacco price support program but also necessitating future reductions in farm acreage allotments.

Concern about the use of maleic hydrazide (MH-30) is shared by the Tobacco Subcommittee of the Committee on Agriculture of the House of Representatives. The Subcommittee has directed the Department of Agriculture to undertake a comprehensive and concentrated study of the use of maleic hydrazide on tobacco and its effect on the leaf, and after conclusive data have been gathered, to submit its findings. The Subcommittee feels that the maleic hydrazide (MH-30) problem is one of great importance to the future of American tobacco because of lack of acceptance of treated tobacco by buyers in both domestic and foreign markets.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-cured Types 11-14

1960-61 Supplies

This year's flue-cured acreage is indicated to be close to that of 1959 when it was third smallest in a quarter of a century. Farm acreage allotments were set at the same level as last year. If 1960 yields equal the 1957-59 average, this year's crop will approximate 1,100 million pounds--a little above 1959. Transplanting was delayed by weather conditions in much of the producing area.

Carryover of flue-cured on July 1, 1960 is expected to be near 2,110 million pounds-- $4\frac{1}{2}$ percent below last July 1 and the lowest since 1955. The carryover plus a crop of 1,100 million pounds will provide about 3,210 million pounds total supply for 1960-61. This is $2\frac{1}{2}$ percent less than for the year just ending and 13 percent lower than the record 1956-57 level.

Domestic Use and Exports

For the marketing year just ending (July 1959-June 1960) domestic use of flue-cured is tentatively estimated at 760 million pounds--about 3 percent above 1958-59. If the increase is borne out, 1959-60 domestic use will be the most in 7 years. The increase in large part reflects the larger output of cigarettes, which is estimated at about $4\frac{1}{2}$ percent above 1958-59.

Exports of flue-cured in the year just ending seem likely to total about 420 million pounds (farm-sales weight)--5 percent below 1958-59 and the smallest in 7 years. Based on July 1959-April 1960 data, the average value per pound of unstemmed flue-cured tobacco exported was only a half of 1 percent above the 1958-59 unit value. About 94 percent of the July 1959-April 1960 exports was shipped unstemmed, nearly 6 percent stemmed; in 1958-59, only about $3\frac{1}{2}$ percent of exports was in stemmed form. Grower prices for the 1959 crop as a whole averaged practically the same as for the 1958 crop. The support price level rose 1.6 percent from 1958 to 1959 but in 1960 will remain at the 1959 level.

During July 1959-April 1960, exports of flue-cured to the United Kingdom accounted for almost two-fifths of our total flue-cured exports, but they were 11 percent less than those sent to U. K. in the same period of 1958-59. Exports of flue-cured to Germany accounted for an eighth of the total but were down 17 percent from those shipped to Germany a year earlier, and those to Australia (the third ranking outlet) were down 36 percent. On the other hand, July 1959-April 1960 shipments to Netherlands and Belgium were up 38 and 19 percent, respectively, compared with the same months of 1958-59. The values per pound of flue-cured shipped to United Kingdom and Belgium were a little higher than in 1958-59 but practically the same as a year earlier for the shipments to West Germany, Australia and Netherlands. (See table 9.)

(Farm-sales weight)

1/ Year beginning July 1. 2/ Subject to revision. 3/ Through 1959, as of date determining support level; under legislation approved February 20, 1960, parity prices are no longer the basis for determining support level. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953. 6/ Approximately 45 million pounds (largely 1954-55 tobacco) included in these figures have been sold. *Preliminary estimate. #Based on May data.

Exports to Egypt during July 1959-April 1960 were nearly 5 times the low 1958-59 figure, due principally to shipments under the foreign currency program. Other countries that obtained more include Sweden, Norway, Portugal, Spain, Thailand, Pakistan, Uruguay, Hong Kong, Taiwan and Mexico. Among the countries taking less than a year earlier were Ireland, Denmark, Finland, France, Austria, Italy, New Zealand, Viet Nam and India. Exports to Japan continued at a fairly substantial rate and were nearly equal to those of the comparable period a year earlier.

Prices and Price Supports

Growers received an overall average of 58.3 cents per pound for the 1959 crop--just topping the previous high of 58.2 cents received for the 1958 crop. Prices last season averaged a record in the Georgia-Florida, Border, and Eastern North Carolina Belts, though not in the Middle and Old Belts. Growers placed about 5 percent of their 1959 crop under loan--the smallest percentage since the present loan program was started.

On May 24, the Department of Agriculture announced the price support level for 1960-crop flue-cured at $55\frac{1}{2}$ cents a pound. This is the same level as for the 1959 crop, in accordance with provisions of legislation enacted earlier this year. Beginning with the 1961 crop, the support level will be adjusted according to the change between the 1959 parity index and the average parity index for the 3 calendar years just preceding the year for which the support is being determined. (See March 1960 Tobacco Situation pp. 32-34 for a fuller discussion.)

Burley, Type 31

1960-61 Supplies

The burley acreage for 1960 is indicated to be virtually unchanged from last year. Acreage allotments this year are mostly the same as in 1959. If yields per acre should equal the 1957-59 average, this year's crop would be around 485 million pounds--3 percent less than the 1959 outturn. Last year's average yield per acre at 1,669 pounds was record high.

Carryover on October 1, 1960, the beginning of the 1960-61 marketing year, is expected to be near 1,209 million pounds--27 million less than last October and about 140 million less than the October 1, 1955 peak. If this year's crop should turn out to be 485 million pounds, the 1960-61 total supply--production plus carryover--will approximate 1,694 million pounds, 3 percent less than for the current season.

Domestic Use and Exports

In the year ending September 30, 1960, domestic use of burley may be around 495 million pounds--15 million higher than in 1958-59 and largest since the 1953-54 marketing year. Manufacture of cigarettes--main outlet for

(Farm-sales weight)

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining support level; under legislation approved February 20, 1960, parity prices are no longer the basis for determining support level. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ Approximately 6½ million pounds (mostly 1954 tobacco) included in these figures have been sold. *Preliminary estimate. #Based on May data.

burley--increased $3\frac{1}{2}$ percent in the first 7 months of the current marketing year. Significant quantities of burley are also used in smoking and chewing tobacco. In the first 7 months of the current marketing year, output of smoking and plug chewing tobacco were down 3 percent and 10 percent, respectively, from a year ago.

Exports of burley in 1959-60 may approach the 35 million pounds (farm-sales weight) shipped in 1958-59. In the first 7 months of the current marketing year, burley exports declined 3 percent below those of a year earlier. Principal destinations for U. S. burley in October 1959-April 1960 were West Germany, Sweden, Mexico, Egypt, Australia and Portugal--these countries together accounted for nearly three-fourths of the total. West Germany reduced takings by 44 percent and Portugal, by 9 percent. But Sweden took 6 percent more and Mexico over a third more than a year earlier. Exports to Australia were equal to $2\frac{1}{2}$ times those in the corresponding months of 1958-59. Close to 2 million pounds (farm-sales weight), mainly under the P. L. 480 foreign currency program, went to Egypt, in contrast to none in the comparable period of 1958-59. More burley than a year earlier was also shipped to The Netherlands, but less went to Denmark, France, Finland, Belgium and Norway. None was yet reported as going to Italy, which received approximately 4 million pounds (farm-sales weight) under the foreign currency program in the 1958-59 marketing year.

Prices

The 1959 burley crop averaged 60.4 cents a pound, 9 percent less than the 1958 record price of 66.1 cents, but the third highest ever received by growers. In the 5 years 1953-57, season prices of burley averaged 57 cents. Last season, growers placed about 13 million pounds under loan, equal to about $2\frac{1}{2}$ percent of the crop.

On May 24, the Department of Agriculture announced the price support level for 1960-crop burley at 57.2 cents a pound. This is the same level as for the 1959 crop, in accordance with provisions of legislation enacted earlier this year. Beginning with the 1961 crop, the support level will be adjusted according to the change between the 1959 parity index and the average parity index for the 3 calendar years just preceding the year for which the support is being determined. (See March 1960 Tobacco Situation, pp. 32-34, for a fuller discussion.)

Maryland, Type 32 3/

1960-61 Supplies

According to growers' intentions, the Maryland acreage for this year will be the same as in 1959. Acreage allotments for most farms this year are unchanged from 1959, though allotments did not go into effect last year,

3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--the 12 month period, October 1 through September 30. Disappearance is calculated on the October-September basis.

(Farm-sales weight)

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959, as of date determining support level or when no support, October 1; under legislation approved February 20, 1960, parity prices are no longer the basis for determining support level. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since less than two-thirds of growers voting approved. *Preliminary estimate. #Based on May data.

because a marketing quota was disapproved by more than a third of the growers voting in a referendum. It takes at least a two-thirds majority to place quotas in effect. If yields should equal the recent 5-year average (adjusted for the low 1955 figure), this year's crop would be near 34 million pounds--5 percent larger than in 1959.

Carryover stocks next January 1 may be around 59 million pounds--approximately 5 million less than stocks held a year earlier and lowest since 1951. This carryover plus the indicated crop would provide a total supply of 93 million pounds--about $3\frac{1}{2}$ million less than for this year.

Domestic Use and Exports

Domestic use of Maryland tobacco during October 1959-September 1960 may be near the 24 million pounds consumed in 1958-59. Cigarettes are the main domestic outlet for Maryland tobacco, and the high level of cigarette output expected in the current marketing year should be a sustaining factor. Some Maryland tobacco is also used in cigars, but the quantity utilized varies, depending upon the availability and prices of certain grades.

Exports absorb a substantial portion of the Maryland crop--between 30 and 50 percent of production in recent years. In the current marketing year, Maryland exports may be moderately below the postwar peak reached in 1958-59. During the first 7 months of the current marketing year (October 1959-April 1960) exports of Maryland were 15 percent less than the large volume shipped out a year earlier. Switzerland, our chief market for Maryland tobacco, increased takings 8 percent over those in the corresponding period of 1958-59. Belgium was the second ranking outlet, taking nearly 70 percent more than in the full marketing year 1958-59. The Netherlands received 9 percent more than a year earlier. On the other hand, exports to Portugal--second ranking foreign market for Maryland in 1958-59--and to West Germany and France were only a small fraction of those a year earlier. None was reported as going to Spain and Viet Nam; both received substantial quantities of Maryland in 1958-59.

Prices

Auctions for the 1959 Maryland crop began on April 26 and are scheduled to end July 15. Sales through June 17 totaled 19.2 million pounds and averaged 61.6 cents per pound, compared with 62.3 cents in the corresponding period of last year. Compared with a year earlier, prices of a majority of thin-crop (C's) and seconds (X's) were lower, generally by 1 to 3 cents, while prices of the majority of heavy-crop (B's) and tips (T's) were above or unchanged from year-earlier levels.

In addition to the auction market volume, about 3.1 million pounds have been received at the Baltimore hogshead market, which opened for competitive bidding on April 28. Combined market receipts through mid-June thus totaled 22.3 million pounds--nearly 70 percent of the 1959 crop.

Government price support is not in effect for the 1959 crop, now being marketed, as it was not produced under a marketing quota. The 1960-62 crops will be eligible for price support, however, as growers approved marketing quotas on those crops in a referendum earlier this year. On May 24, the Department of Agriculture announced the support level for the 1960 Maryland crop at 50.8 cents a pound. Legislation enacted earlier this year provided that the 1960 support level for Maryland tobacco would be the same as it would have been for the 1959 crop if it had been under a marketing quota. For 1961 and subsequent crops, the support level for Maryland tobacco will be adjusted according to the change between the 1959 parity index and the average parity index for the 3 calendar years just preceding the year for which the support is being determined. (See March 1960 Tobacco Situation, pp. 32-34 for a fuller discussion.)

Fire-cured, Types 21-23

1960-61 Supplies

This year's acreage of Virginia and Kentucky-Tennessee fire-cured are indicated to be not much different from last year. Acreage allotments are mostly the same as in 1959. If yields per acre are near the averages of recent years (adjusted for trend), this year's combined crop may approximate 54 million pounds--about 2 percent larger than in 1959.

Carryover of fire-cured next October 1 is estimated at 118 million pounds--about 4 million less than last October 1 and lowest since 1946. This carryover, together with the new crop, will provide a total supply approximating 172 million pounds--2 percent less than for the current year.

Domestic Use and Exports

During the October 1959-September 1960 marketing year, indications are that domestic use of fire-cured tobacco might top the 30 million pounds consumed in 1958-59. In the first 7 months of the current marketing year, output of snuff--principal domestic outlet for the fire-cured types--was $2\frac{1}{2}$ percent less than in the corresponding period of 1958-59; for the year as a whole it is expected to show comparatively little change.

Exports of fire-cured in the 1959-60 marketing year may show some increase over those of 1958-59--lowest peacetime exports on record. In the first 7 months of the current marketing year (October 1959--April 1960), exports of Kentucky-Tennessee fire-cured were 9 percent larger than a year earlier. The Netherlands, accounting for nearly a third of the total, took over a fifth less than in the same period of 1958-59. France was the second ranking outlet, taking substantially more than in all of the preceding marketing year. Switzerland, ranking third, stepped up takings by 25 percent. Other countries receiving more Kentucky-Tennessee fire-cured than a year earlier were Egypt, Sweden, West Germany and Norway. On the other hand, moderately less went to Denmark, and there was a substantial percentage reduction in takings by Belgium.

(Farm-sales weight)

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining the burley support level. 4/ Data for 1950-57 are parity prices for all fire-cured tobacco--starting with 1958, type 21 parity computed separately. 5/ Set at 75 percent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation; under legislation approved February 20, 1960, neither parity prices nor the burley support are the basis for determining support level for this type. 6/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. *Preliminary estimate. #Based on May data.

(Farm-sales weight)

1/ Type 24 included until early 1950's when it became practically nonexistent. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959, as of date determining burley support level. 5/ Data for 1950-57 are parity prices for all fire-cured tobacco--starting with 1958, types 22-23 parity computed separately. 6/ Set at 75 percent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation; under legislation approved February 20, 1960, neither parity prices nor the burley support are the basis for determining support levels for these types. 7/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. *Preliminary estimate. #Based on May data.

Exports of Virginia fire-cured in October 1959-April 1960 were about a sixth below those of a year earlier. The leading country of destination was the United Kingdom, which reduced takings 14 percent from the relatively large total in the like period of 1958-59. Exports to Norway, usually the principal foreign market for Virginia fire-cured, dropped 57 percent below those a year earlier, and less Virginia fire-cured than a year ago went to Switzerland, Netherlands and New Zealand. Countries taking more Virginia fire-cured than in the first 7 months of 1958-59 were Sweden, West Germany and Australia.

Prices

The 1959 season average price for the combined fire-cured types was 38.2 cents a pound--four-tenths of a cent higher than in 1958 and exceeded only by the 40 cents average in the 1951 season. Virginia fire-cured, type 21, averaged 37.6 cents a pound--2 percent more than in the previous year and fourth highest on record. The season average for Kentucky-Tennessee type 22 was 39.0 cents--1½ percent above 1958 and highest since 1955. For Kentucky-Tennessee type 23, the 1959 season average was 36.2 cents--2 percent less than the previous season's record price but otherwise above any previous year.

The level of Government price support for 1959 fire-cured was 38.8 cents per pound. About 6 million pounds were placed under Government loan, equal to about 12 percent of the crop.

On May 24, the Department of Agriculture announced the price support level for 1960 Virginia and Kentucky-Tennessee fire-cured at 38.8 cents per pound, the same as for the 1959 crop, in accordance with provisions of legislation enacted earlier this year. Beginning with the 1961 crop, providing marketing quotas are not disapproved by growers, the support level will be adjusted according to the change in the 1959 parity index and the average parity index for the 3 calendar years just preceding the year for which the support is being determined. (See March 1960 Tobacco Situation, pp. 32-34, for a fuller discussion.)

Dark Air-Cured and Sun-Cured, Types 35-37

1960-61 Supplies

The 1960 indicated acreage of dark air-cured tobacco is 1 percent larger than last year's, while that of Virginia sun-cured is down by 5 percent. Allotments for most farms are the same as in 1959. If yields per acre are near the average of the recent 3 years, this year's production of dark air- and sun-cured tobacco would approximate 21 million pounds--2½ percent less than the quantity harvested in 1959.

Carryover of types 35-37 on October 1 (beginning of the 1960-61 marketing year) is estimated at near 66 million pounds--about 3 million less than last October 1 and lowest since 1946. This carryover, added to the new crop, would provide a total supply for 1960-61 of about 87 million pounds--3½ percent less than for the current year.

(Farm-sales weight)

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining burley support level. 4/ Set at 66-2/3 percent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation; under legislation approved February 20, 1960, neither parity prices nor the burley support are the basis for determining support level for this type. 5/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. 6/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but purchased and shipped by mid-1953. *Preliminary estimate. #Based on May data.

(Farm-sales weight)

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining burley support level. 4/ Set at 66-2/3 percent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation; under legislation approved February 20, 1960, neither parity prices nor the burley support are the basis for determining support level for this type. 5/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. *Preliminary estimate. #Based on May data.

Domestic Use and Exports

In the year ending September 30, domestic use of dark air- and sun-cured may be below the $19\frac{3}{4}$ million pounds consumed in 1958-59. The major outlet for these types is in the manufacture of plug, twist and fine-cut chewing tobacco, which in the first 7 months of the current marketing year was running 8 percent below a year earlier.

Exports of dark air-cured tobacco in 1959-60 may be smaller than in 1958-59. In the first 7 months of the current marketing year, exports of One Sucker (type 35) were only about a third of those a year earlier. Belgium, accounting for nearly two-thirds of the total, received 9 percent less. A significant shipment went to Finland, which took none in 1958-59. But no exports of One Sucker were reported as going to Austria or Portugal; these countries accounted for over 60 percent of total shipments in 1958-59.

During October 1959-April 1960, exports of Green River (type 36) dropped about a fifth below those of a year ago. The United Kingdom accounted for about 60 percent of the total, Belgium for another 30 percent. Consignments to the United Kingdom fell by over a fourth but exports to Belgium increased sharply, exceeding those in most recent full marketing years.

In the last 5 years, about half of all exports of dark air-cured tobacco went out in the form of Black Fat, a semiprocessed product. Exports of Black Fat in the first 7 months of the current marketing year increased 2 percent over those in the comparable period of 1958-59. Nigeria and Ghana--usually ranking in that order as principal outlets--took 4 percent and 13 percent more, respectively, than a year earlier. On the other hand, exports to French West Africa--traditionally the third leading market for Black Fat--were about a fourth below those in October 1958-April 1959. Exports to Cameroon were also behind those a year earlier, and none was yet reported as going to Canary Islands. Other Spanish Africa received significantly larger quantities than in the same months of 1958-59.

Prices

The 1959 season price for dark air- and sun-cured tobacco combined was 34.5 cents--about a tenth below the 1958 record high. One Sucker (type 35) averaged 34.7 cents--11 percent below 1958 and lowest in 4 years. The 1959 crop of Green River (type 36) brought an average of 34.0 cents--7 percent less than a year earlier and 1 percent less than 2 years earlier. The price average for 1959 Virginia sun-cured at 34.4 cents was 7 percent below 1958 but 1 percent higher than in 1957.

The level of support for 1959 dark air-cured and sun-cured was $34\frac{1}{2}$ cents per pound--the same as for the two preceding crops. In the recent season, loan placements (virtually all consisting of types 35-36) were higher than in the preceding year; the quantity delivered for loans comprised 17 percent of the combined crop, contrasted with only 3 percent in the 1958 season.

On May 24, the Department of Agriculture announced the price support level for 1960 dark air- and sun-cured tobacco at 34.5 cents per pound, the same as for the 1959 crop, in accordance with provisions of legislation enacted earlier this year. Beginning with the 1961 sun-cured (type 37) crop, the support level will be adjusted according to the change between the 1959 parity index and the average parity index for the 3 calendar years just preceding the year for which the support is being determined. This will also apply to dark air-cured types 35-36, if marketing quotas are not disapproved. (See March 1960 Tobacco Situation, pp. 32-34, for a fuller discussion.)

Cigar Tobacco, Types 41-62

1960-61 Supplies

Filler: Pennsylvania filler (type 41) acreage may be about 3 percent above last year's and the largest in 9 years. Ohio filler (types 42-44) acreage may be slightly above last year and the largest in 5 years. Acreage allotments are in effect on the Ohio types but not on the Pennsylvania type. If 1960 yields per acre equal the average for 1955-59, this year's production of Pennsylvania filler may be about 52 million pounds and of Ohio filler near 6 million pounds. Both would be lower than in 1959 when yields per acre reached record highs in both areas. The carryover of Pennsylvania filler and Ohio filler next October 1 seems likely to be 104 million and 18 million pounds, respectively--slightly less for Pennsylvania and up some for Ohio, compared with last October 1. The new crops plus these carryovers would provide total 1960-61 supplies of 156 million pounds of Pennsylvania filler and 24 million pounds of Ohio filler. The 1960-61 supply of Pennsylvania filler would be slightly lower than for 1959-60, but more than each of the 3 previous years. The 1960-61 supply of Ohio filler, though practically equal to the 1959-60 level, would be one of the smallest on record.

The 1959 crop of Puerto Rican filler--largely harvested and marketed in the first half of 1960--is estimated at 27 million pounds, 6 percent more than a year earlier. The 1959-60 total supply (the current crop plus last October 1 stocks) is about 69½ million pounds--7 percent below the 1958-59 level and the lowest for many years.

Total arrivals of foreign grown cigar tobacco (entries for immediate consumption plus entries into bonded warehouses) jumped sharply in 1959 and amounted to about 67 million pounds (unstemmed equivalent) compared with 47 million in 1958. The utilization of imported cigar tobacco increased and substantial additions were made to stocks. April 1 stocks of foreign grown cigar leaf totaled over 52½ million pounds compared with 42¾ million pounds a year earlier.

Binder: Cigar binder types of tobacco are produced in the Connecticut Valley (types 51-52) and in Wisconsin (types 54-55). Acreage allotments are in effect in both areas, and for most farms are the same as in 1959. The 1960 acreage in the Connecticut Valley is indicated to be down considerably for Broadleaf type 51 and a little lower for Havana Seed type 52, compared with

Table 23--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Pennsylvania Seedleaf (type 41)							
Average:							
1947-49	54.6	101.4	156.0	48.8	47.8	1.0	27.7
1950	56.0	115.8	171.8	45.6	45.0	.6	26.4
1951	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953	38.2	119.1	157.3	51.6	51.4	.2	27.5
1954	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959 2/	53.5	104.3	157.8	*54.0			31.5
Ohio, Miami Valley (types 42-44)							
Average:							
1947-49	10.2	24.5	34.7	8.7	8.7		26.3
1950	10.5	28.0	38.5	7.3	7.3		18.6
1951	7.3	31.2	38.5	10.0	10.0		24.4
1952	8.8	28.5	37.3	10.0	10.0		25.0
1953	6.6	27.3	33.9	9.8	9.8		18.5
1954	8.0	24.1	32.1	9.2	9.2		22.5
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959 2/	6.9	17.1	24.0	*6.0			27.3
Puerto Rico (type 46)							
Average:							
1947-49	26.4	65.0	91.4	34.0	29.8	4.2	24.8
1950	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959 2/	27.2	42.4	69.6				

1/ Year beginning October 1.

2/ Subject to revision.

* Preliminary estimate

last year. If yields per acre equal the 1955-59 average the 1960 production of both types combined may approximate 7 million pounds--second lowest on record. Carryover next October 1 may be about 31 million pounds--a new low. The 1960-61 total supply--the new crop plus carryover--at 38 million pounds would be about a tenth below 1959-60 and the smallest on record.

The 1960 acreage of the Wisconsin types of binder tobacco are indicated to be larger for type 55 (Northern Wisconsin) and slightly smaller for type 54 (Southern Wisconsin) than last year. If yields per acre equal the 1955-59 average, the combined production of both types in 1960 may be about 23 million pounds--moderately above 1959. The increase would be largely in type 55 which last year had the second lowest average yield per acre in 21 years. Carryover next October 1 may be up a little for type 54 but down some for type 55. For both types combined the approximate total is likely to be near 46 million pounds--practically the same as last October 1. The 1960-61 total supply of the Wisconsin binder types at 69 million pounds would be about 3 percent above the record low of 1959-60.

Wrapper: There is little change indicated in acreage of Connecticut Valley wrapper type 61 compared with last year but acreage of Georgia-Florida wrapper type 62 may be up 5 percent and exceed last year's record high. The jump in Georgia-Florida acreage from 1958 to 1959 was nearly 12 percent. If yields per acre equal the 1955-59 average the combined production of both types in 1960 would be slightly above last year's outturn of 18-1/3 million pounds. Carryover of the cigar wrapper types on July 1 is expected to be about 22 million pounds--approximately 2 million above last July 1 and a record high. The total 1960-61 supply may be over 40 million pounds and the largest on record.

The introduction of manufactured wrappers in place of natural leaf wrappers on cigars appears to be in the initial stage. Test marketing of cigars utilizing manufactured wrappers has been announced. If successful results are achieved the use of manufactured wrapper could expand on a significant scale. Growers of shade grown wrapper will need to be aware of the impact this might have on future requirements for wrapper leaf.

Disappearance and Exports

Filler: According to preliminary indications, the disappearance of Pennsylvania filler in the year ending September 30 may be about 54 million pounds--7 percent larger than in 1958-59 and except for 1955-56 the largest in many years. Disappearance of Ohio filler may be around 6 million pounds--probably a little larger than in 1958-59. Exports account for a relatively small part of total disappearance of the filler types. During October 1959-April 1960 less than 100,000 pounds were exported. In 1958-59 disappearance of Puerto Rican tobacco at nearly 33 million pounds was well above the 1957-58 level. Sizable exports of Puerto Rican tobacco helped boost 1958-59 disappearance; the principal destination was Viet Nam.

Table 24.--Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Broadleaf (type 51)							
Average: 1947-49	14.4	28.5	42.8	14.7	12.4	2.3	54.7
1950	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959 2/	4.4	20.0	24.4	*6.0			44.0
Connecticut Valley Havana Seed (type 52)							
Average: 1947-49	14.8	18.5	33.3	11.9	9.1	2.8	59.2
1950	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954	11.9	24.3	36.2	12.9	12.2	.7	44.4
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959 2/	3.2	14.5	17.7	*5.0			41.2
Total Connecticut Valley (types)							
Average: 1947-49	29.2	47.0	76.2	26.6	21.5	5.1	56.9
1950	31.6	52.7	84.3	27.2	24.5	2.7	46.1
1951	25.7	57.1	82.8	25.1	22.3	2.8	47.3
1952	24.4	57.7	82.1	27.4	25.3	2.1	49.6
1953	26.7	54.7	81.4	25.3	23.5	1.8	56.8
1954	25.2	56.1	81.3	24.6	23.7	.9	50.6
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959 2/	7.6	34.5	42.1	*11.0			42.6

1/ Year beginning October 1.

2/ Subject to revision.

* Preliminary estimate

Table 25.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks October 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Southern Wisconsin (type 54)							
Average:							
1947-49	13.4	38.3	51.7	12.7	12.5	0.2	22.5
1950	13.2	40.1	53.3	13.0	13.0		23.5
1951	10.4	40.3	50.7	16.0	16.0		25.3
1952	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	7.2	33.3	40.5	10.0	10.0		24.3
1954	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958	8.8	20.0	28.8	7.9	7.5	.4	34.6
1959 ^{2/}	9.2	20.9	30.1	*8.0			29.3
Northern Wisconsin (type 55)							
Average:							
1947-49	19.6	36.3	55.9	18.5	17.5	1.0	28.8
1950	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.3	12.0	2.3	35.2
1959 ^{2/}	11.6	25.3	36.9	*13.0			37.1
Total Wisconsin types (54-55)							
Average:							
1947-49	33.0	74.6	107.6	31.2	30.0	1.2	26.2
1950	31.9	80.9	112.8	29.4	29.3	.1	26.2
1951	23.3	83.4	106.7	31.6	31.5	.1	28.6
1952	21.9	75.1	97.0	28.3	26.5	1.8	26.9
1953	20.0	68.7	88.7	26.4	26.1	.3	25.8
1954	22.9	62.3	85.2	25.3	24.6	.7	30.0
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.2	19.5	2.7	35.0
1959 ^{2/}	20.8	46.2	67.0	*21.0			33.7

^{1/}Year beginning October 1.^{2/}Subject to revision.

* Preliminary estimate

Table 26.--Cigar wrapper tobacco, types 61-62: Domestic supplies disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks July 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Shade-grown (type 61)							
Average:							
1947-49	10.2	11.0	21.0	8.9			268.3
1950	9.1	13.6	22.7	9.7			205.0
1951	8.2	13.0	21.2	8.3			205.0
1952	8.9	12.9	21.8	10.8			210.0
1953	10.3	11.0	21.3	9.9			205.0
1954	9.9	11.4	21.3	10.2			215.0
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959 ^{2/}	10.6	13.0	23.6	*9.4	*6.9	*2.5	180.0
Georgia-Florida Shade-grown (type 62)							
Average:							
1947-49	5.2	3.8	9.1	4.3			235.0
1950	6.4	5.9	12.3	5.4			200.0
1951	6.8	6.9	13.7	5.4			180.0
1952	5.8	8.3	14.1	5.8			180.0
1953	4.5	8.3	12.8	6.0			195.0
1954	6.6	6.8	13.4	6.5			195.0
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959 ^{2/}	7.7	7.3	15.0	*7.0	*5.2	*1.8	195.0
Total Shade-grown (types 61-62)							
Average:							
1947-49	15.3	14.8	30.1	13.3	11.2	2.1	257.0
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959 ^{2/}	18.3	20.3	38.6	*16.4	*12.1	*4.3	186.0

^{1/} Year beginning July 1.^{2/} Subject to revision.

* Preliminary estimate

Imports of cigar tobacco for consumption during October 1959-April 1960 totaled about 28 million pounds (unstemmed equivalent)--practically the same as October 1958-April 1959. During October 1958-September 1959 imports for consumption totaled nearly 47 million pounds (unstemmed equivalent)--nearly a fourth more than in 1957-58.

Binder: Preliminary indications are that disappearance of the Connecticut Valley types in the year ending September 30 may be 10 or 11 million pounds compared with the record low of 9 million in 1958-59 and about 25 million five years ago. The extensive use of processed binder sheet in place of natural leaf binders on cigars mostly accounts for the sharp drop in the disappearance of these types in the last few years. Exports had also dropped, but they picked up some during October 1959-April 1960 compared with that period a year earlier. In the recent period about 560,000 pounds (farm-sales weight) were shipped, mostly to Belgium, Germany and Denmark.

The disappearance of the Wisconsin binder types in the year ending September 30 is indicated at about 21 million pounds--roughly 1 million lower than in the 1958-59 marketing year. The decrease appears to be mainly in the Northern Wisconsin type 55. During October 1959-April 1960, exports of Wisconsin tobacco at about 350,000 pounds (farm-sales weight) were sharply lower than in the comparable period of 1958-59. West Germany, major export destination, took only about a fourth as much as in the year earlier.

Wrapper: Total disappearance of the shadegrown wrapper types 61-62 in the year ending June 30 is estimated at over 16 million pounds--perhaps one-half million less than in 1958-59. Indications are that domestic use increased but this is more than offset by the drop in exports from the record high level of the previous 2 years. During July 1959-April 1960, exports of wrapper tobacco were 29 percent less than in the same period a year earlier. Exports of the Connecticut Valley wrapper were down 35 percent and of Georgia--Florida wrapper, down 19 percent. West Germany, taking a half of U. S. wrapper exports, got 48 percent less than a year earlier; Canada, usually second ranking outlet, took 27 percent less. A sizable quantity (largely type 62) went to East Germany--over $2\frac{1}{2}$ times as much as in July 1958-April 1959, and the United Kingdom took a significant quantity of types 61 and 62 wrapper--7 times as much as in the year earlier.

Prices and Price Supports

Prices for the 1959 crop of Pennsylvania filler averaged $31\frac{1}{2}$ cents per pound--an eighth higher than the preceding year and above any previous year except 1945 and 1946. The 1959 average price of the Ohio filler types was 27.3 cents per pound--up 13 percent from 1958 and exceeding all previous years except 1945, 1946 and 1947.

Prices for the 1959 Connecticut Valley Broadleaf crop averaged 44 cents per pound--nearly a fifth lower than for the 1958 crop and the lowest since 1944. The 1959 price average for Connecticut Valley Havana Seed was 41.2 cents per pound--a sixth lower than for the 1958 crop when it was the highest in the last 6 years.

Table 27.--Cigar tobacco types: Government price support levels, 1958-60, and average prices, 1958-59

Type	1958		1959		1960
	Price support level <u>1/</u>	Season average price	Price support level <u>1/</u>	Season average price	Price support level <u>2/</u>
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Ohio cigar filler, types 42-44	23.4	24.2	23.4	27.3	23.4
Puerto Rican filler, type 46	31.2	30.0	29.7	30.0	29.7
Connecticut Valley Broadleaf binder, type 51 <u>3/</u>	56.2	54.8	39.6	44.0	39.6
Connecticut Valley Havana Seed binder, type 52	48.0	49.4	39.6	41.2	39.6
Southern Wisconsin binder, type 54	25.5	34.6	26.5	29.3	26.5
Northern Wisconsin binder, type 55	31.0	35.2	32.0	37.1	32.0

1/ For Pennsylvania Havana Seed, type 53: 1958, 25.5 cents; 1959 and 1960, 26.5 cents. 2/ Legislation approved February 20, 1960, provides for 1960 crop price supports at same levels as for 1959. 3/ Broadleaf (type 51) supported only on an unsorted basis.

Table 28.--Cigar tobacco price support operations, quantities placed under loan, 1950-59 and remaining under loan May 31, 1960

Crop year	Puerto Rican, type 46	Ohio types 42-44	Connecticut Valley, type 51	Connecticut Valley type 52	Southern Wisconsin type 54	Northern Wisconsin type 55	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1950	0.3	2.6	0.1	3.7	1.4	0.6	<u>1/</u> 11.5
1951	1.1	.6	1.7	2.7	4.8	.1	<u>1/</u> 11.0
1952	1.4	- - -	NO PRICE SUPPORT <u>2/</u>		- - -	-	1.4
1953	1.4	2.7	<u>3/</u>	1.8	2.4	1.9	<u>1/</u> 10.3
1954	5.1	1.2	.8	3.4	1.3	.9	12.7
1955	2.8	.8	7.8	5.2	.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	1.5	.1	2.5	.4	---	.3	4.8
1958	1.7	0	.3	.1	0	.1	2.2
1959	<u>4/</u> 1.4	0	1.5	.2	.9	<u>3/</u>	4.0
Total	18.2	8.4	16.4	19.1	11.3	7.9	<u>1/</u> 84.2
Remaining as of							
May 31, 1960:	<u>5/</u> 1.4	0	7.6	4.7	.9	.6	<u>5/</u> 15.2

1/ Includes 2.8 million pounds of 1950 crop Pennsylvania Seedleaf (type 41) and negligible amounts from the 1950, 1951, and 1953 crops of New York and Pennsylvania Havana seed (type 53). 2/ Price support not in effect because marketing quotas were disapproved by growers. 3/ About 30,000 pounds. 4/ Incomplete since 1959 crop marketings not completed. 5/ The Puerto Rican receipts of 1.4 million pounds have been sold.

The 1959 crops of Northern Wisconsin (type 55) and Southern Wisconsin (type 54) brought prices which averaged 37.1 and 29.3 cents per pound, respectively. The average type 55 price was 5 percent above a year earlier and the highest on record, except for 1945 and 1946. The average price of type 54 was down 15 percent from a year earlier when it reached its highest point since 1946.

Government price supports were in effect for all of these cigar types except Pennsylvania type 41. They will continue in effect for the 1960 crops at the same levels as those for 1959. This is in accordance with provisions of legislation enacted earlier this year. Beginning with the 1961 crop, the support level will be adjusted according to the change between the 1959 parity index and the average parity index for the 3 calendar years just preceding the year for which the support is being determined. (See March 1960 Tobacco Situation pp. 32-34 for a fuller discussion.)

The 1959 and 1960 support levels for the eligible types of cigar tobacco are shown in table 27. Quantities received under Government loan from the 1959 and previous crops are shown in table 28; also shown are the quantities remaining under Government loan as of May 31, 1960.

The marketing quota and price support legislation does not apply to the shadegrown cigar wrapper types 61-62.

The average price received for the 1959 Connecticut Valley wrapper (type 61) crop was \$1.80 per pound--23 percent less than for 1958. The sharp drop mainly reflected the lower quality caused by heavy fleck damage last season. The average price received for the 1959 Georgia-Florida wrapper crop was \$1.95 per pound--5 percent higher than a year earlier.

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: The next issue of The Tobacco Situation :
: is scheduled for release September 30. :
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RECENT ECONOMIC PUBLICATIONS ON TOBACCO

Speculative Resales of Maryland Tobacco--by J. W. H. Brown, U. S. Department of Agriculture, Marketing Research Report 395, April 1960. (Single copies may be obtained from the Office of Information, U. S. Department of Agriculture, Washington 25, D. C.)

The Market for Type 41 Tobacco in Lancaster County, Pennsylvania--by A. L. Bell, R. E. Bolton and W. E. Everett, Franklin and Marshall College, Lancaster, Pennsylvania, 1960. (Contract with AMS, USDA. Obtainable from the Marketing Economics Research Division, AMS, U. S. Department of Agriculture, Washington 25, D. C.)

Tobacco Marketing Practices of Farmers in the Coastal Plain Area of South Carolina--by D. E. Crawford, D. W. Bickley and N. A. Wynn, South Carolina Agricultural Experiment Station, Clemson, South Carolina, AE 1924, April 1960. (AMS cooperating. Obtainable from the Agricultural Experiment Station.)

North Carolina Piedmont and Coastal Plain Tobacco Farms: Their Changing Characteristics, 1955-1958--by E. C. Pasour, Jr., W. D. Toussaint and G.S. Tolley, North Carolina State College, Raleigh, North Carolina, AE No. 71, November 1959. (Obtainable from the College.)

The Sale Value of Flue-Cured Tobacco Allotments--by F. H. Maier, J. L. Hedrick, and W. L. Gibson, Jr., Technical Bulletin No. 148, Agricultural Experiment Station, Virginia Polytechnic Institute, Blacksburg, Virginia, in cooperation with Agricultural Experiment Station, North Carolina State College, and Farm Economics Research Division, ARS, USDA. (Obtainable from the Agricultural Experiment Station, Virginia Polytechnic Institute.)

Table 29.--Tobacco leaf represented in stocks of tobacco sheet on specified dates 1/

Types	(Reported weight)				
	1959			1960	
	April 1	July 1	October 1	January 1	April 1
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Flue-cured (types 11-14)					
Unstemmed	0	3	266	452	75
Stemmed	517	688	939	1,219	2,442
Subtotal	517	691	1,205	1,671	2,517
Burley (type 31)					
Unstemmed	0	0	177	301	0
Stemmed	322	446	628	666	1,572
Subtotal	322	446	805	967	1,572
Total for cigarettes (including smoking tobacco):					
Unstemmed	0	3	478	814	126
Stemmed 2/	840	1,138	1,595	1,973	4,158
Subtotal 2/	840	1,141	3/2,073	3/2,787	3/4,284
Maryland (type 32)					
Unstemmed	0	3	3	0	0
Stemmed	53	32	26	40	17
Subtotal	53	35	29	40	17
Pennsylvania (type 41)					
Unstemmed	155	230	103	110	118
Stemmed	230	192	160	216	189
Subtotal	385	422	263	326	307
Connecticut Valley (type 51)					
Unstemmed	435	378	368	319	347
Stemmed	405	372	145	196	237
Subtotal	840	750	513	515	584
Connecticut Valley (type 52)					
Unstemmed	428	477	335	340	369
Stemmed	15	0	0	0	0
Subtotal	443	477	335	340	369
Northern Wisconsin (type 55)					
Unstemmed	32	109	111	101	121
Stemmed	45	10	9	9	8
Subtotal	77	119	120	110	129
Connecticut Valley (type 61)					
Unstemmed	30	45	48	69	46
Stemmed	286	314	310	327	419
Subtotal	316	359	358	396	465
Total for Cigars 4/					
Unstemmed	1,089	1,260	989	953	1,018
Stemmed	1,099	963	683	816	900
Subtotal	2,188	2,223	1,672	1,769	1,918
Grand total for all types	3,028	3,364	3,745	4,556	6,202

1/ Does not include tobacco stems added in manufacturing process. 2/ Includes very small quantity of Maryland (type 32). 3/ Includes foreign grown tobacco: October 1959, 56,000 pounds; January 1960, 144,000 pounds; April 1960, 178,000 pounds. 4/ Includes relatively small quantities of Ohio (types 42-44), Puerto Rican (type 46), Southern Wisconsin (type 54), Cuban (type 81) and Philippine Islands (type 83).

Table 30.--Tobacco: Acreage and yield per acre in the United States, by types, for specified periods

Period	Flue-cured 11-14	Fire-cured: 21-24 1/	Burley 31	Maryland 32	Dark air- and sun- cured 35-37	Cigar			United States
						Filler: 41-45 1/	Binder: 51-56 1/	Wrapper 61-62	
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average:									
1934-38	863.2	135.2	347.2	36.7	42.0	38.7	29.2	8.9	1,501.3
1941-45	889.8	68.4	420.1	38.7	36.4	40.5	37.9	10.3	1,542.5
1947-49	993.5	69.0	433.3	48.0	32.4	42.9	41.9	14.8	1,676.1
1950	958.4	52.9	408.3	50.0	28.7	45.1	41.5	13.7	1,599.0
1951	1,110.1	49.0	456.1	53.0	26.5	39.8	31.4	13.6	1,779.9
1952	1,111.3	47.4	463.5	50.0	26.3	29.4	30.4	13.1	1,771.8
1953	1,021.8	48.3	419.7	45.0	26.0	30.5	29.0	12.3	1,632.9
1954	1,042.2	52.0	420.9	50.0	25.9	33.8	29.4	13.0	1,667.5
1955	990.7	48.2	310.6	47.0	24.2	33.9	27.7	12.9	1,495.4
1956	875.3	47.0	309.8	43.7	22.4	34.0	19.1	13.3	1,364.9
1957	662.7	36.6	306.6	37.0	17.1	32.6	15.9	13.1	1,121.8
1958	639.4	31.1	297.1	34.0	14.3	33.0	15.9	12.9	1,077.9
1959 ^{2/}	693.3	35.2	301.0	38.0	15.3	34.9	18.4	13.8	1,150.0
1960 ^{3/}	697.4	35.4	301.4	38.0	15.4	36.0	18.4	14.0	1,156.2
Average:	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>
1934-38	856	811	819	749	837	1,266	465	954	865
1941-45	1,005	967	1,053	696	1,016	1,338	1,526	1,004	1,032
1947-49	1,186	1,130	1,267	790	1,117	1,506	1,527	1,033	1,208
1950	1,312	1,102	1,222	800	998	1,474	1,548	1,130	1,269
1951	1,309	1,215	1,355	785	1,197	1,594	1,571	1,098	1,310
1952	1,229	1,228	1,403	805	1,286	1,590	1,532	1,124	1,273
1953	1,245	1,013	1,345	900	1,022	1,468	1,618	1,203	1,261
1954	1,261	1,197	1,586	875	1,317	1,681	1,642	1,264	1,346
1955	1,497	1,353	1,513	670	1,284	1,569	1,555	1,213	1,466
1956	1,625	1,501	1,635	840	1,514	1,665	1,763	1,290	1,596
1957	1,471	1,380	1,592	1,040	1,316	1,403	1,766	1,442	1,486
1958	1,690	1,391	1,567	925	1,258	1,619	1,715	1,286	1,611
1959	1,559	1,508	1,669	850	1,407	1,729	1,546	1,325	1,563

1/ Types 45, 56, and 24 ended in 1939, 1948, and 1949 respectively.

2/ Subject to revision. 3/ Farmers intentions as of March 1.

Table 31.--Cash receipts from tobacco compared with total cash receipts from all farm commodities, selected States and United States, average 1953-57, annual 1958-59

State	Average 1953-57			1958			1959		
	Cash receipts		Tobacco as percentage of total	Cash receipts		Tobacco as percentage of total	Cash receipts		Tobacco as percentage of total
	Total	Tobacco		Total	Tobacco		Total	Tobacco	
	Mil. dol.	Mil. dol.	Pct.	Mil. dol.	Mil. dol.	Pct.	Mil. dol.	Mil. dol.	Pct.
N. C.	946	473	50.0	1,011	438	43.3	964	420	43.6
Ky.	552	234	42.4	548	199	36.3	575	220	38.3
S. C.	355	89	25.1	336	79	23.5	353	90	25.5
Va.	454	79	17.4	460	78	17.0	466	79	17.0
Tenn.	473	73	15.4	489	73	14.9	519	72	13.9
Ga.	637	63	9.9	721	54	7.5	703	64	9.1
Conn.	168	23	13.7	167	21	12.6	155	19	12.3
Md.	248	19	7.7	259	18	6.9	252	18	7.1
Fla.	613	21	3.4	689	19	2.8	783	23	2.9
Pa.	750	11	1.5	785	9	1.1	774	14	1.8
Mass.	173	8	4.6	169	7	4.1	157	6	3.8
Wis.	1,025	6	.6	1,118	6	.5	1,059	8	.8
Ohio	1,013	12	1.2	984	9	.9	958	10	1.0
Ind.	1,071	8	.7	1,090	6	.6	1,028	8	.8
Subtotal	8,478	1,119	13.2	8,826	1,016	11.5	8,746	1,051	12.0
U. S. 1/	30,205	1,123	3.7	33,560	1,020	3.0	32,777	1,057	3.2

1/ Other States with relatively small cash receipts from tobacco are Alabama, Kansas, Louisiana, Minnesota, Missouri, New York, and West Virginia.

Table 32.--Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-59, by quarters 1958-60

Period	Net sales	Net income		Profit			
		Before Federal tax	After Federal tax	Per dollar of sales		As percentage of stockholders equity (annual basis)	
				Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1953	3,768	338	138	9.0	3.7	22.9	9.4
1954	3,672	329	156	9.0	4.2	21.5	10.2
1955	3,796	388	183	10.2	4.8	24.2	11.4
1956	3,959	413	197	10.4	5.0	24.6	11.7
1957	4,262	459	220	10.8	5.2	26.0	12.5
1958	4,649	521	249	11.2	5.4	28.2	13.5
1959	4,908	551	265	11.2	5.4	27.8	13.4
Quarterly:							
1958							
1	1,036	111	53	10.7	5.1	24.6	11.8
2	1,172	129	61	11.0	5.2	28.2	13.3
3	1,225	140	67	11.4	5.5	30.3	14.5
4	1,216	141	68	11.6	5.6	29.7	14.3
1959							
1	1,114	121	58	10.9	5.2	25.1	12.0
2	1,264	145	70	11.5	5.5	29.5	14.2
3	1,277	151	72	11.8	5.6	30.3	14.4
4	1,253	134	65	10.7	5.2	26.5	12.8
1960							
1	1,172	128	61	10.9	5.2	25.2	12.0

Note: The 1947-50 data lack strict comparability with the series beginning 1951.

Compiled and adapted from Quarterly Financial Report for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

STATISTICAL SUMMARY

Item	Unit or base period	1959		1960			Last data as percentage of a year earlier
		Apr.	May	Mar.	Apr.	May	
Average price at auctions							
Flue-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Burley	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Maryland	Ct. per lb.	62.0	61.8	Closed	60.8	62.0	100
Virginia fire-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Ky.-Tenn. fire-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Ky.-Tenn. dark air-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Virginia sun-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Parity prices 1/							
Flue-cured	Ct. per lb.	61.9	61.9	63.6	64.0	63.8	103
Burley	Ct. per lb.	64.0	64.0	66.0	66.4	66.2	103
Maryland	Ct. per lb.	56.8	56.8	57.9	58.3	58.4	103
Virginia fire-cured	Ct. per lb.	42.2	42.2	42.9	43.2	43.0	102
Ky.-Tenn. fire-cured	Ct. per lb.	41.9	41.9	43.2	43.5	43.3	103
Ky.-Tenn. dark air-cured	Ct. per lb.	37.1	37.1	38.1	38.4	38.2	103
Virginia sun-cured	Ct. per lb.	38.3	38.3	38.7	39.0	38.8	101
Pa. cigar filler	Ct. per lb.	29.0	29.1	29.9	30.1	30.0	103
Conn. Valley cigar binder	Ct. per lb.	44.3	44.3	45.3	45.6	45.5	103
Wis. binder and Ohio filler	Ct. per lb.	32.0	32.0	33.0	33.2	33.1	103
Puerto Rican filler	Ct. per lb.	33.0	33.0	31.4	31.7	31.7	96
Parity index 2/	1910-14=100	298	299	300	302	301	101
Industrial production index 3/	1947-49=100	162	166	166	165	167	101
Employment	Mil.	65.0	66.0	64.3	66.2	67.2	102
Personal income 4/	Bil. dol.	379.0	381.3	394.0	397.8	399.4	105
		1959		1960			
		Mar.	Apr.	Feb.	Mar.	Apr.	
Taxable removals							
Cigarettes	Bil.	35.5	38.1	35.2	40.3	36.9	97
Cigars	Mil.	511.7	525.8	486.0	531.0	502.3	96
Smoking tobacco	Mil. lb.	6.0	6.6	5.4	6.6	6.3	95
Chewing tobacco	Mil. lb.	5.3	5.5	4.8	5.3	5.1	93
Snuff	Mil. lb.	3.0	2.9	2.8	3.1	2.6	90
Accumulated from Jan. 1							
Cigarettes	Bil.	106.4	144.4	72.8	113.1	150.0	104
Cigars	Mil.	1,407.1	1,932.9	958.9	1,489.9	1,992.2	103
Smoking tobacco	Mil. lb.	17.5	24.1	10.6	17.4	23.7	98
Chewing tobacco	Mil. lb.	16.2	21.8	10.0	15.3	20.4	94
Snuff	Mil. lb.	8.6	11.6	5.5	8.6	11.2	97
Tax-exempt removals							
Cigarettes	Bil.	2.8	3.2	3.1	3.2	2.6	81
Exports	Bil.	1.5	1.6	1.5	1.6	1.4	88
Cigars	Mil.	8.2	8.8	9.0	11.7	8.8	100
Smoking tobacco	Mil. lb.	.1	.2	.2	.2	.2	100
Chewing tobacco	Mil. lb.	.1	.1	.1	.1	.1	100
Accumulated from Jan. 1							
Cigarettes	Bil.	8.1	11.3	5.8	9.1	11.7	104
Exports	Bil.	4.3	5.9	2.9	4.5	5.9	100
Cigars	Mil.	23.1	31.9	13.2	24.9	33.7	106
Smoking tobacco	Mil. lb.	.4	.6	.4	.6	.7	117
Chewing tobacco	Mil. lb.	.3	.4	.2	.3	.4	100
Wholesale price indexes 5/							
Cigarettes, reg. nonfilter	1947-49=100	134.8			134.8		100
Cigarettes, filter tip	Jan. 1959=100	100.0			100.0		100
Cigars	1947-49=100	106.6			106.5		100
Smoking tobacco	1947-49=100	156.2			167.7		107
Plug chewing tobacco	1947-49=100	142.4			142.4		100
Snuff	1947-49=100	148.5			148.5		100
Consumer price indexes (urban) 6/							
Cigarettes, reg. nonfilter	1947-49=100	134.4			144.5		108
Cigarettes, filter tip	Mar. 1959=100	100.0			106.7		107
Cigars	1947-49=100	109.1			115.5		106
Imports of tobacco							
Cigarette leaf	Mil. lb.	9.5	7.7	9.2	9.9	9.5	123
Cigar tobacco 7/	Mil. lb.	3.8	4.2	4.2	3.7	3.8	90
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	27.4	35.2	18.8	28.7	38.2	109
Cigar tobacco 7/	Mil. lb.	12.2	16.4	10.1	13.8	17.5	107

See footnotes at end of Statistical Summary.

Continued -

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1959		1960		Last data as percentage of a year earlier	
		Mar.	Apr.	Feb.	Mar.		Apr.
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	25.3	19.7	21.9	25.0	10.3	52
Burley	Mil. lb.	4.8	3.6	2.7	2.1	1.1	31
Maryland	Mil. lb.	1.5	.9	.7	1.3	.6	67
Virginia fire- & sun-cured	Mil. lb.	.9	.1	.9	.2	.1	100
Ky.-Tenn. fire-cured	Mil. lb.	2.4	.8	1.0	1.3	3.0	375
Ky.-Tenn. dark air-cured	Mil. lb.	1.7	.4	.5	.2	*	---
Black Fat	Mil. lb.	.3	.4	.4	.6	.3	75
Cigar wrapper	Mil. lb.	.4	.6	.3	.5	.2	33
Connecticut binder	Mil. lb.	*	.1	.1	.1	*	---
Wisconsin binder	Mil. lb.	.2	.2	*	*	*	---
Accumulated from beginning of marketing year <u>8/</u>							
Flue-cured	Mil. lb.	377.6	397.4	338.3	363.3	373.6	94
Burley	Mil. lb.	17.7	21.3	17.4	19.5	20.6	97
Maryland	Mil. lb.	7.2	8.2	5.1	6.4	7.0	85
Virginia fire- & sun-cured	Mil. lb.	3.4	3.5	2.6	2.8	2.9	83
Ky.-Tenn. fire-cured	Mil. lb.	11.3	12.1	8.9	10.2	13.1	108
Ky.-Tenn. dark air-cured	Mil. lb.	2.6	3.1	1.3	1.5	1.5	48
Black Fat	Mil. lb.	2.4	2.8	2.0	2.5	2.9	104
Cigar wrapper	Mil. lb.	3.9	4.4	2.5	3.0	3.1	70
Connecticut binder	Mil. lb.	.3	.4	.4	.5	.6	150
Wisconsin binder	Mil. lb.	.9	1.1	.3	.3	.4	36
Exports of manufactured tobacco in bulk	Mil. lb.	2.0	.3	.5	.7	.6	200
Accumulated from Jan. 1	Mil. lb.	2.9	3.1	1.2	2.0	2.6	84
Q u a r t e r l y d a t a							
		1959		1960			
		Jan.-Mar.	Apr.-June	Jan.-Mar.	Apr.-June		
Tobacco stocks--1st of quarter <u>9/</u>							
Domestic types							
(farm-sales weight)							
Flue-cured	Mil. lb.	2,692	2,457	2,597	2,345		95
Burley	Mil. lb.	1,512	1,502	1,483	1,477		98
Maryland	Mil. lb.	71	60	64	58		97
Fire-cured	Mil. lb.	124	143	113	142		99
Dark air- and sun-cured	Mil. lb.	77	80	71	79		99
Cigar filler	Mil. lb.	151	198	148	199		101
Cigar binder	Mil. lb.	79	97	78	94		97
Cigar wrapper	Mil. lb.	27	24	30	26		108
Under Government loan <u>10/</u>	Mil. lb.	1,078	1,025	879	778		76
Tobacco sheet <u>11/</u>							
Cigarette types	Mil. lb.	1.0	.8	2.8	4.3		538
Cigar types	Mil. lb.	1.9	2.2	1.8	1.9		86
Foreign types (unst. equiv.)							
Cigarette and smoking	Mil. lb.	207	232	229	233		100
Cigar	Mil. lb.	34	43	43	53		123
Tobacco outlets <u>12/</u>							
Seasonally adjusted data, annual rates, for charts, p.2:							
Cigarettes							
Production	Bil.	471	480	502	490		102
Tax-paid removals	Bil.	435	447	462	457		102
Cigar production	Bil.	6.76	7.15	7.26	7.17		100
Smoking production	Mil. lb.	75.6	74.9	76.9	72.2		96
Chewing production							
Scrap	Mil. lb.	31.8	32.6	30.9	32.3		99
Plug and other	Mil. lb.	36.5	35.1	32.8	32.6		93
Snuff production	Mil. lb.	33.8	33.5	33.3	32.4		97
Exports of leaf							
Total	Mil. lb.	464	478	475	418		87
Flue-cured	Mil. lb.	366	409	395	352		86

1/ Based on data for month specified. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Unstemmed equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others.

9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives.

11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates.

*Less than 50,000 pounds.

LIST OF TABLES

<u>Table</u>	<u>Title</u>	<u>Page</u>
1	Cigarettes: Total output, domestic consumption, shipments and exports for specified periods	7
2	Cigarette exports from the United States to leading destinations for specified periods	8
3	Large cigars and cigarillos: Output and consumption for specified periods	13
4	Cigars weighing <u>not more than 3 pounds per thousand</u> (approximately cigarette size): Output and removals for specified periods	14
5	Output of manufactured tobacco in the United States for specified periods ..	17
6	United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods	20
7	United States exports of unmanufactured tobacco, by types, for specified periods	21
8	United States exports of unmanufactured tobacco to principal importing countries, averages 1934-38, 1940-44 and 1945-49, annual 1950-59	22
9	Flue-cured tobacco, types 11-14: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods	23
10	Burley and Maryland tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods	23
11	Fire-cured tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods	24
12	Black Fat and dark air-cured tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods	24
13	Tobacco imports of ranking foreign markets, and percentage supplied by the United States, 1956-59	26
14	United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods	28
15	United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods	30
16	Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods	33
17	Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods	35
18	Maryland tobacco, type 32: Domestic supplies, disappearance, season average price, and price support operations for specified periods	37
19	Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price support operations for specified periods	40
20	Fire-cured tobacco, types 22-23: Domestic supplies, disappearance, season average price and price support operations for specified periods	41
21	Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods ..	43
22	Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods	44
23	Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average price, for specified periods	47
24	Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods	49

LIST OF TABLES CONTINUED

<u>Table</u>	<u>Title</u>	<u>Page</u>
25	Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods	50
26	Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, for specified periods	51
27	Cigar tobacco types: Government price support levels, 1958-60, and average prices, 1958-59	53
28	Cigar tobacco price support operations, quantities placed under loan, 1950-59 and remaining under loan May 31, 1960	53
29	Tobacco leaf represented in stocks of tobacco sheet on specified dates	56
30	Tobacco: Acreage and yield in the United States, by types, for specified periods	57
31	Cash receipts from tobacco compared with total cash receipts from all farm commodities, selected States and United States, average 1953-57 annual 1958-59	58
32	Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-59, by quarters 1958-60	59
	Statistical Summary	60

CHARTS

	<u>Page</u>
Flue-cured Tobacco	Cover
Tobacco Outlets--Recent Trends	2
Cigarettes	
Cigars	
Smoking	
Chewing	
Snuff	
Leaf Exports	
Cigarette Consumption Per Capita 1959	8
Cigars by Retail Price Class	11

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 : The next issue of The Tobacco Situation :
 : is scheduled for release September 30. :
 :

**U. S. Department of Agriculture
Washington 25, D. C .**

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